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REFORM OF THE MONETARY SYSTEM of the United States to be effectual must be conducted on lines that are now very well understood. The Treasury should retire from the banking business, and the function of issuing the paper currency of the country should be placed entirely in the hands of the banks. The banking laws should be so arranged that there will be no inducement to banking capital to prefer one system of banking to another. That is, the best features of national banking should be retained and such other restrictions added and privileges granted as will induce all banking capital to range itself under the Federal laws, thus creating a really homogeneous system. At the same time these laws should tend to equalize the rate of interest throughout the country and afford adequate security to the bank note holder, and retain the present security to the depositor.

Propositions have been made which if combined and carried out will accomplish satisfactorily all of these results. There are, however, some details that, while they do not affect the broader outlines of the plan, are yet of much importance in securing a perfect circulating medium. One of these is the extent to which the issue of notes should be regulated by their denominations.

It is a well-known fact that paper currency of the same denominations as coined money drives the latter out of circulation. Thus the circulation of notes of less than five dollars prevents silver dollars from circulating. The circulation of notes of five, ten and twenty dollars drives out the gold coinage of the same denomination, and the use of fractional paper currency of less than one dollar would lessen or prevent the circulation of silver change.

The chief reason for this, other things being equal, is perhaps the greater convenience of the paper money. If convenience alone were to be considered it might be concluded that it would be more advan-

tageous to use paper altogether for the circulating medium. But there are reasons why this should not be accepted as conclusive in favor of paper money of the smaller denominations. The smaller the denomination of money the more rapidly it circulates, and the less it is taken care of by the holders. As a consequence it wears out faster and there is a greater loss to the public. Its constant use tends to keep it in a mutilated and unhealthy condition liable to spread disease. Moreover, as paper money is not real but only representative, it is important that the country should at all times keep on hand a stock of real or coined money in order that the actual basis of credit should not be lost sight of.

If paper money alone is used, therefore, the stock of coined money available for use when needed tends to diminish or disappear altogether. In the case of fractional notes this last reason is of less importance, but the consideration of wear and tear and condition is of greater.

With notes of one dollar and less than five, the objection is that they prevent the circulation of silver dollars which the United States has since 1878 minted and has on hand. Notes of five dollars and up to twenty prevent the circulation of gold coin. In their case the reasons pro and con become more intricate. What may be lost by the destruction of the paper money is in this case made up by the prevention of abrasion of the gold coin, and the relative convenience of such notes is much greater than in the case of notes of smaller denominations.

The proportions of the several denominations of paper notes should therefore be adjusted so as to afford the least loss to the public from notes disappearing from wear and tear, to threaten the least danger to the general health, or what is the same thing, to maintain the whole paper currency in a bright and healthy and entire condition, and further, to so adjust it that room may be found for the circulation of an adequate stock of coined money both of silver and gold.

As to fractional notes there can be little question that the present system of subsidiary silver will be maintained, because of its general fitness and acceptability, notwithstanding the convenience of fractional notes for that form of business conducted by mail where the single payments are fractional parts of the dollar. Paper fractional currency issued during and subsequent to the war resulted in an estimated loss of about eight millions of dollars to the public.

Another controversy will come in regard to the notes of denominations less than five dollars. In the field occupied by money of this denomination, there are now silver dollars, legal-tender notes, and silver certificates, and a few surviving National bank notes, although no such denominations of National bank notes have been issued since

1879. There may also be some debate as to whether the five dollar note might not wisely be taken from circulation so as to afford a field for five dollar gold pieces.

In order to see to what extent each of the denominations about which controversy is likely to occur are circulated, it will be interesting to examine the statistics given in the public documents on the subject.

In the year 1874 National bank and legal-tender notes were the only forms of paper money in circulation issued in denominations of less than twenty dollars. The total amount of these two kinds of money outstanding in June, 1874, was $731,785,806, and of this $63,164,791 was in one and two dollar notes, a little over eight per cent. The law provided that after the resumption of specie payments, which took place January 1, 1879, the National banks should issue no notes of a less denomination than five dollars. In 1878, the year previous, the total circulation of National bank and legal-tender notes was $765,068,909, and of these $56,076,837 was in denominations of one and two dollars, between seven and eight per cent. In that year the coinage of silver dollars and the issue of silver certificates began, but in no denominations less than ten dollars. Of the silver dollars $1,209,251 were in actual circulation on July 1, 1878. By July 1, 1887, the amount of silver dollars in circulation had increased to $55,548,721 out of a total coinage of $277,445,767, about twenty per cent.

In 1887 a law went into effect permitting the issue of silver certificates in denominations of one, two and five dollars. In 1888 the circulating medium, made up of legal-tender and National bank notes and silver certificates, reached $986,240,579, of which $56,076,837, or between five and six per cent., consisted of notes of one and two dollars. At the same time there were in circulation $55,527,396 silver dollars, increasing the proportion of money in one and two dollar denominations to over ten per cent. of the whole circulation. The silver dollars in circulation were reduced to seventeen per cent. of the total coinage. This decrease may be fairly ascribed to the effect of issuing the silver certificates in small denominations. In 1894 the paper circulation was made up of legal-tender and Treasury notes, National bank notes and silver certificates, and aggregated a total of $1,169,891,623. The one and two dollar notes in circulation were chiefly Treasury notes and silver certificates, $60,823,384 out of a total of $66,877,563. The proportion of the last named sum of one and two dollar notes to the total circulation was between five and six per cent., as in 1888. There was in circulation $52,564,662 in silver dollars, which made the money of small denominations bear a proportion of about ten per cent. to the total circulation. The percentage of silver dollars in circulation to the amount coined was reduced to less

than ten per cent., showing the extent to which the small silver certificates superseded the dollars in six years.

The result of the above conditions is that the proportion of one and two dollar notes and circulating silver dollars bears a percentage of between eight and ten per cent. to the whole circulation, and therefore that if there were no one and two dollar notes issued, silver dollars would circulate to the amount of about $100,000,000.

The Treasury notes, legal-tender and National bank notes and silver certificates on Jan. 1, 1897, outstanding amounted to $1,008,892,185, calculated on the same basis as the figures previously given.

A similar method of procedure will show that the five dollar notes outstanding from 1874 to 1894 have always been very close to 20 per cent. of the total paper circulation. If these notes were abolished, taking the total paper circulation on January 1, 1897, as a basis, the amount of other money required to supersede them would be about $200,000,000. If this field were taken by coin, probably three-quarters would be occupied by five dollar gold pieces, $150,000,000, and the other quarter by silver dollars.

It is therefore highly probable that if no notes less than ten dollars were issued either by the banks or the Government, that coin to the amount of $300,000,000 would be required to supply the needs of the community for doing the business requiring lower denominations of money, viz., $150,000,000 of silver dollars and $150,000,000 of five-dollar gold pieces.

It can thus be seen how important it becomes, if Government notes are to be withdrawn and bank notes substituted, to settle in what denominations they shall be issued in order to retain a good working reserve of coin in the country after the reserve held by the United States Treasury is abolished. If the silver certificates are retained, as they will probably have to be, they should not be issued in denominations less than twenty dollars. This would leave the whole ten dollar note field open to the banks, and as much of the field comprising the twenties, fifties, one hundreds, etc., as the silver certificates failed to supply. The latter might be held almost entirely as reserves and thus placed out of the way of the bank circulation. The monetary laws of Canada provide for the issue of Dominion notes in the larger and smaller denominations and leave the intermediate denominations for the use of the banks.

A proper arrangement of the manner in which the various denominations of the notes shall be issued or withheld, based on a study of their actual behavior in circulation during the last thirty years, will point out a way of utilizing the silver dollars now coined, of taking care of the silver certificates, and of keeping a coin reserve continually within reach when required.

THE MONETARY CONFERENCE held at Indianapolis on Jan. 12 and 13 was a gathering of delegates from all sections of the country to take action for maintaining and strengthening the popular demand for the reform of the currency laws of the United States voiced at the election in November.

The action taken by the conference may be summed up as follows: The maintenance of the present gold standard; the retirement of all classes of United States notes without disturbance to the business interests of the country; the provision of a banking system that can furnish credit facilities to every portion of the United States and that will equalize the rate of interest in all sections.

The executive committee was empowered to work for legislation authorizing the appointment of a national monetary commission, and failing in this to themselves select a commission of eleven members.

The object of the conference was to arouse the business men and commercial bodies of the country to organized and concerted action in order to remove the hindrances which now restrict the free use of capital by the people.

There are already indications that the efforts of the conference will to some extent be viewed with disfavor by the politicians and legislators who regard themselves as the only true source from which all ideas and plans for the good of the people should emanate. These last are jealous of the power entrusted to them by the popular vote and they are antagonistic to any pressure brought to bear on them by methods outside of politics, although it may be in the direct line indicated by the elections which placed them in power. This feeling is not at all unnatural and can only be overcome by diplomatic methods.

Already criticisms of the Indianapolis conference are heard on the same lines as those made on the action of the American Bankers' Association at its convention in St. Louis last fall. This criticism is to the effect that bankers and business men should attend to their own affairs and not interfere with politics. Political organs insinuate that after all the Indianapolis gathering was only a convention of bankers and capitalists looking out for their own interests—the usual appeal to the unpopularity of capital with the great majority who do not possess it. The legislators and politicians place themselves on the high ground that they must legislate for the whole people and not for particular classes. Just as they refused to be influenced by COXEY and his army, so they must not listen in the least to the importunities of grasping corporations or wealthy capitalists. They must sit impartial on their high eminence and like a many-headed Olympian Jove let the rain of their wisdom be withheld or permitted to fall alike upon the rich and the poor, the just and the unjust.

All of this is claptrap, but it has its dueinfluence upon the voters of the country, and the chief business of a politician is to conciliate the classes whose votes can be counted upon to keep them in power.

Any positive action in any direction may afford advantages to political opponents. The chance of any congressman securing fame and continued power by wise legislation is very small. There are only a few bold enough to take the risks of personally identifying themselves with any measure. The great majority let these braver ones pull the chestnuts from the fire for them. The committees of Congress, through which all legislation must be introduced, afford a method by means of which individual responsibility can be avoided. Each member personally can have real pressure legitimately brought to bear on him only through his constituents. The general good of the country may, beyond the peradventure of a doubt, be involved in the enactment of a measure, but the share of each separate constituency in this general good may be so minute that they care very little whether their representative interests himself in its favor or not. The degree of direct benefit to individual citizens from particular legislation is so variant, some apparently receiving a large share and the majority little, it is always easy to defeat any proposition by exciting the jealousies which necessarily accompany any distribution.

Therefore, a plan of monetary reform is readily retarded by making prominent the immense benefit its results will be to the bankers and capitalists. The impecunious classes easily listen to the argument that if it is enacted their profits will be overshadowed by those of classes already wealthy, and that if it be not, the losses for themselves will not amount to much. These arguments in favor of doing nothing are difficult to overcome because of their inertness.

THE ATTITUDE OF THE CONGRESSMEN who addressed the conference was plainly monitory; that it would not do to force views on a Congress that had views and pride of its own. There was virtual agreement as to the necessary reforms to place the monetary system of the United States on a satisfactory basis, but considerable hesitation as to the best methods of effecting them. There was a great deal of vagueness in the minds of the delegates as to the possibility of influencing legislation in the right direction. It was this vagueness verging almost on despair that led to the adoption of resolutions in favor of creating a monetary commission, either by congressional action or by action of the executive committee. When men don't know what else to do they appoint a commission. Anybody can investigate and report. Representative FOWLER told the delegates plainly that he did not think a commission would be of any ser-

vice, that it would only lead to delay. But on the other hand he did not suggest any definite course, except generally to agitate, to stir up their home constituencies. Possibly this may be done, but the amount of work involved is immense and it could not be accomplished if it be left to the unaided efforts of the delegates or men of similar class each in his own field.

The conference therefore has not seemed to accomplish much so far, only in fact made a beginning. It has however made a beginning from which much may be evolved, if the work is continued with intelligence and energy.

If the Editor of the MAGAZINE may be allowed to suggest, the following practical course might, it would seem, have some chances of success. The executive committee appointed by the conference should not waste time in securing a monetary commission appointed by congressional authority. Such a commission would, as Mr. FOWLER suggested, only delay matters. It would moreover take away from the executive committee all power to work, in fact would practically supersede it. When appointed it might be a year or more in making its report, which when made might prove as practically useless as numerous preceding investigations of monetary reform.

In fact a good plan for monetary reform ought not to take long in the formulating. The data are all at hand and the conditions required well understood.

The committee might at once appoint its own commission to formulate a plan. It should contain the main points endorsed by the resolutions of the conference. This however is only preparatory.

There are many men of eminent ability who would no doubt be willing to make the required sacrifice of time and labor necessary to the formulation of a wise and well-considered plan that would command popular support. But while the members of the commission might be expected to serve for no other reward than would come to them for performing a public duty, and aiding in the solution of a most important public question, manifestly there would be a considerable amount of legitimate expenses involved in the proceedings of the commission which should be met by public contribution.

The executive committee should therefore do what the national committees of the political parties always do, solicit the funds necessary to meet this expense. The commercial bodies of the country, the corporations, the banks, the business men, and all individuals who desire to see the finances on a sound basis, should be called upon to furnish funds. It would soon be seen whether there were those in the country in sympathy with monetary reform, and whether this professed sympathy is a mere sentiment or not.

If in addition to the deliberative labors of the commission a cam-

paign of popular education is to be undertaken, the funds raised should be large, as the expenses of carrying on an educational propaganda in each congressional district will be considerable. Some prominent man in each district should be selected to carry on the work there. Meetings should be held in the different parts of each district and the benefit of monetary reform to the mass of the people explained.

After the plan has been introduced in Congress, the influential men of each district should be induced to get up petitions and letters to their representative in Congress to vote for the bill. At the same time delegations should be sent by the committee before the congressional committee who may have the bill in charge. As it is necessary to combat the inactivity of Congress, the committee should have headquarters in Washington and conduct its campaign from that point. In fact, the Congress must be influenced by the same methods by which it was elected—the pressure of public opinion demanding a sound currency. The only way in which they can be influenced is by keeping before them constantly the wishes of the people.

Such a campaign will undoubtedly involve a legitimate expenditure of money. But it must be remembered that no important movement can be carried to a successful issue without incurring expense. Even the Salvation Army cannot exist without money. There can be no expression of popular opinion throughout so extensive a country as this without organization, and no organization without expenditure. Practical methods for advancing the most righteous causes require money. No authority in the country can have so great prestige in calling for the assistance necessary and proper to the accomplishment of the ends sought by the Indianapolis conference as the executive committee. It was a non-partisan body made up of delegates representing the commercial bodies and all the thrifty and enterprising classes, guided by the honest intention of putting the monetary laws of the United States in a condition to benefit every man rich or poor struggling to maintain or better his condition.

THE FAILURES AND SUSPENSIONS OF BANKS, National and State, are symptomatic of the rigor with which liquidation has been going on during the period of depression since 1893. The failures of the year 1893 itself were supposed to have weeded out the weak banks, and probably if business had revived there would have been an end to such disasters, but the continued depression has at last proved fatal to others that by timely assistance were barely able to survive the shock of 1893.

During the year 1896, according to the report of the Comptroller of the Currency, there were only twenty-eight new National banks organized, or eighteen per cent. of the average yearly number since the inauguration of the system. This alone indicates the lack of demand for banking facilities under existing conditions.

The report comes from Boston that on account of the excess of banking capital there will have to be consolidation among some of the institutions there. The banks all over the country are complaining of the want of profitable business. This is due not to bad management, but to the shrinkage of all other business. Nevertheless there now exists a condition of things that will expose any weak spots that exist. The only course for a solvent well-managed bank that can not meet expenses is to go into liquidation and let its stockholders have their money to put into something that will bring an income.

The reports of failures and suspensions are not at all alarming. The fact that there are not more of them, under the circumstances, is surprising.

The most trying, if not the worst, period in an era of financial depression following a monetary and business crisis is very sure to be just before the revival of business enterprise. Hope deferred maketh the heart sick. The time goes on and patience is tried more and more. It was the same during the depression following the crisis of 1873, lasting until 1879. It had been again and again prophesied that business would revive. There was continued agitation during the years 1875–78 upon the money question and repeated attempts were made to repeal the Resumption Act. When this Act finally went into effect on January 1, 1879, there was no immediate boom. In fact there were the same taunts made in the early part of 1879 that have been heard since the election of McKinley—why don't prosperity come, etc.

All through the spring of 1879 business conditions were bad. There were some failures, and considerable sales of American securities. It was not until June and July that the revival of business really began. No conditions exactly repeat themselves. From 1875 to 1879 there was an increasing belief that the Government would redeem its legal-tender notes in gold on January 1, 1879. There is now no such decisive turning point to be expected. A declaration for the maintenance of the present gold standard was made by the popular vote in November, and it is hoped that Congress, either at the present session or perhaps at an extra session to be called by President McKinley, will do something for currency reform.

It is plain that in 1879 a definite change in monetary conditions was followed within a reasonable time by a revival of business after a depression which had lasted nearly six years. The importance of

making some change in the present monetary system becomes more and more apparent. After 1873 the people realized the danger of engaging in any extensive enterprise with a currency constantly fluctuating in relation to the true standard. Under conditions of depression they desired an absolutely certain basis before the renewal of extensive business operations. They felt that profits would be small at first and that such changes in the value of the currency as occurred before specie payments made them impossible might prevent any profit at all.

Under the present laws the trouble with the currency is not its fluctuation as compared with the gold standard, but its liability to be locked up or expanded without regard to the wants of business. The fault with the irredeemable currency before 1873 was not noticed while business was booming. It required a crisis and the subsequent depression to impress this fault on people's minds. Once impressed they would do no extensive business until the dangerous defect was removed. In the same manner the crisis of 1893 has taught people to be careful how they expand their business with a currency liable to be redundant one day and not to be had at all on the next. They will not be reassured and give free scope to enterprise until this liability to sudden stringency in the money market has been removed.

If Congress, therefore, does not do something to radically remedy this defect it will be vain to look for much improvement for a long time to come. In 1879 the people had only to wait until legislation already enacted went into operation on a fixed date. Now they will have to wait for the slow operations of their legislators. Business does not commence to boom with those who handle the greatest enterprises. These use the smallest part of the money or resources of the land. The great bulk of all business is done in small amounts by the masses of the people. Each one has his own little enterprise which, as his profits are small and easily swept away, he hesitates to launch until everything looks secure. No wonder the banks are comparatively idle and that many liquidate and some fail while these conditions last.

THE COMPTROLLER OF THE CURRENCY is appointed by the President, on the recommendation of the Secretary of the Treasury, and confirmed by the Senate. His term of office is five years. It has been held that the length of this term, one year longer than that of the President, was an indication that Congress intended that the Comptroller's office should be protected from sudden change upon the occurrence of changes in the Administration. Undoubtedly it was in the mind of Congress that the duty of managing the banking laws

was a delicate one, and that the officer charged with this duty should to a certain extent feel a degree of independence of removal.

The law further provided that he should make his report directly to Congress and not to the Secretary of the Treasury (though his bureau formed a part of the Treasury Department) nor to the President.

But the law also placed the Comptroller under the general direction of the Secretary, and his appointment by the President in a broad sense made him liable to removal by that officer.

Generally speaking the power to appoint implies the power to remove, although restrictions may be placed on this power of removal either by fixing a definite length of term or by providing that removals shall not be made except for cause. These restrictions on the power of the President are always, in practice, more apparent than real. For as a matter of fact the President's desire to remove an official for causes or reasons satisfactory to himself can not be easily or practically opposed. For instance, a Comptroller of the Currency of a different party from an incoming Administration, would have an extremely difficult and unpleasant time in maintaining himself in office (although his fixed term of five years had not expired) against the expressed wishes of the new President. The Comptroller under such circumstances would find that he could not control or maintain discipline among his subordinates. He would not be able to associate officially with others of his rank in the Treasury Department, and would in fact find all his rulings and decisions liable to overturn and obstruction. The Secretary of the Treasury could deprive him of all power or prestige, and there are no men of character who would submit to the petty annoyances and real restrictions which would be the concomitant of such a situation.

The history of the office, as may be gathered from the brief lives of the Comptrollers of the Currency which appeared in the January number of the MAGAZINE, shows that the fixed term of five years has had little to do with their actual tenure of office.

HUGH MCCULLOCH, the first Comptroller, held the office for less than two years—from May, 1863, to March, 1865. On the latter date he was appointed Secretary of the Treasury and made no objection to surrendering the remainder of his term as Comptroller. FREEMAN CLARK, the second Comptroller, occupied the office for a little over a year only, as it appears he preferred a more active political career. HILAND R. HULBURD was appointed Comptroller and served one full term. He was reappointed for another term, but resigned in about a year for personal reasons. JOHN JAY KNOX held the office through two full terms and part of a third, when he resigned to accept the presidency of a New York city bank.

Up to this time—1884—there had been no political reason why the Administration should wish to remove a Comptroller. LINCOLN, JOHNSON, GRANT, HAYES, GARFIELD and ARTHUR were all elected by the Republican party.

HENRY W. CANNON was appointed by President ARTHUR in 1884, and consequently when President CLEVELAND was inaugurated in March, 1895, he had served hardly one of the five years of his term. Mr. CANNON was not a partisan in any sense, and his wide experience in banking matters and his capacity as a banker and financier were especially valuable to the representatives of a party so long out of power taking up duties to which they were entirely unaccustomed. He served nearly one year longer under an Administration of differing political views, and then insisted on resigning to accept a bank presidency in New York city. WM. L. TRENHOLM, appointed on Mr. CANNON'S resignation, served until the inauguration of President HARRISON, in 1889, about three years only of the full term for which he was appointed. EDWARD S. LACEY served three years only and retired to accept the presidency of a bank in Chicago. ALONZO B. HEPBURN held the office less than one year, when President HARRISON was succeeded by President CLEVELAND. He resigned to free the hands of the incoming Administration, also to accept a bank presidency. JAMES H. ECKELS was appointed in April, 1893, and when President MCKINLEY is inaugurated he will have served a little less than four years of his full term.

The *resume* just made shows that the men who have the reputation and ability to fill the office of the Comptroller of the Currency are more likely to be sought for by the office than to make any undignified effort to retain it. With hardly an exception the retiring Comptrollers have been tempted to resign by higher political position or by more lucrative opportunities in private life. Not one Comptroller has left official life simply by lapse of his official term.

The Comptrollership has been a remarkable stepping-stone to the position of bank President. This is not in the least accidental. For the office is one in which a man of good character and abilities must necessarily make a national reputation for administrative ability of the kind needed in conducting important financial institutions.

Any salary the Government offers, even to its most highly-paid public officials, except the President, is much inferior to the salaries paid to competent managers by financial institutions of the first rank. If, therefore, a man with the ability fit to adequately perform the complex and important duties of the Comptrollership is to be retained for any length of time, the salary must be increased.

But this very insufficiency of salary is the best guarantee for that rotation in office dear to the political heart. Moreover, it would be

impossible to increase the salary of one officer without doing the same for all officials of the same grade.

It is highly probable, therefore, that with the coming change of Administration there will be a change in the office of the Comptroller of the Currency. Mr. ECKELS, like his predecessors in office, will no doubt be tempted by offers from financial institutions of the first rank to bring to their management the experience he has gained and the abilities he has trained in his four years incumbency as Comptroller of the Currency.

In the selection of a new Comptroller the President should be guided by the experience of the past. The man to be selected should have knowledge of banks and banking, and yet not be simply or merely a banker. For while the office may be the best of training-schools for a competent manager of a great financial institution, the mere fact of being an officer in an ordinary bank does not premise any great administrative qualities fitting for the Comptrollership. The man should be a business man in his ideas of careful and economical management. He should also have been successful in whatever he has hitherto attempted, whether on a large or small scale. Success in private life is an almost sure criterion of success as a public official.

The Comptroller's office, in view of the anticipated agitation in favor of currency reform, will be of greater importance than ever during the next few years. The new Comptroller should be in sympathy with this agitation and be able to use the statistical and other resources of his office to advance it.

THE SELECTION OF LYMAN J. GAGE to be Secretary of the Treasury under the incoming Administration has been received with general satisfaction by the banking and other business interests of the country. As President of the First National Bank, of Chicago, Mr. GAGE has established a high reputation for financial sagacity, and he has been so actively and successfully identified with other great business enterprises as to leave no doubt as to his qualifications for thoroughly grasping the administrative details of the Treasury Department. From a personal standpoint, also, Mr. GAGE's appointment is not only above criticism, but is wholly commendable.

Heretofore the future financial secretary has expressed himself in favor of retiring the legal-tender notes by the issue of long-time bonds bearing a low rate of interest, the bonds to be used as security for bank-note circulation. Ultimately Mr. GAGE hopes to see a bank currency based upon something like the "Baltimore Plan," but he thinks such a reform must be secured by the process of evolution and

not by immediate legislation on this line. Such is the view held by many of the most conservative bankers and business men of the country. It will doubtless be found that any wise plan for improving the currency will receive the active support of the new Secretary of the Treasury, whether it be on the lines marked out by himself or by any other step calculated to accomplish the same result—the gradual withdrawal of the Government paper and the establishment of a better system of bank currency.

It is important, also, to note that Mr. GAGE is not in favor of a tariff policy that will continue the present heavy annual deficits. He believes that the Government should be provided with an adequate revenue. Some doubt has been expressed as to his agreement with Major MCKINLEY'S views on the tariff, but he has declared himself to be in substantial accord with the protectionist theory of the President-elect.

Mr. GAGE as President of the First National Bank of Chicago is better off as far as salary is concerned than he will be as Secretary of the Treasury, but having risen as high in his chosen profession as is possible, he may so desire to have the additional glory of serving his country that salary will be no object. The bank, too, is not likely to suffer by his absence, as among its subordinate officers there are men who have been steadily increasing their reputation for banking talent throughout the country.

The selection of Mr. GAGE is a compliment to the bankers of the country, among whom no one, either East or West, has a greater popularity or a higher reputation for sagacity or administrative ability. The Treasury portfolio at this time however is perhaps the least desirable of all the cabinet positions. The deficiency in the revenues, the difficulty of maintaining the gold reserve, and the tendency of Congress to extravagant appropriations will make the position of Secretary of the Treasury anything but a bed of roses for the most skillful incumbent. Two Secretaries of the Treasury, Judge FOLGER under ARTHUR and Mr. MANNING under CLEVELAND, undoubtedly had their lives shortened by the wear and tear of the office. Although some of the labor these unfortunate gentlemen had to undergo has perhaps been removed by the operations of the civil service law, yet there are the other anxieties mentioned as now likely to continue which did not exist to so great an extent in their day. But of course it is more or less the duty of every citizen to respond when his country calls for his services, and men are doubtless as patriotic as they ever were. It will be of great importance to the cause of financial and currency reform to have the finances of the Government administered by a man in sympathy with this movement, and undoubtedly Mr. GAGE is such a man.

IMPRISONING THE GREENBACKS.

The main obstacle to currency reform is to be found in the diversity of the monetary institutions of the country. The interests of State and private banks are in some respects opposed to those of the national system. It is generally conceived to be of importance that the demand for this reform shall not be ascribed to the banks and bankers of the country. Those who are interested in the success of the recent monetary conference at Indianapolis are anxious to show that it was by no means a conference of the bankers, but of the commercial bodies and business men.

The truth is that the bankers themselves are not so interested in the reform as are the enterprising and energetic citizens who desire to put the financial machinery of the United States in the best possible condition for the advancement of their own interests, present and future.

The Indianapolis conference was not one of bankers, or called in their interests, and yet attempts have already been made to discredit it by the charge that it was virtually a bankers' convention. This, of course, is the usual demagogic appeal to the blind envy of the masses manifested towards all the machinery for the accumulation of capital, although it may be equally beneficial to every citizen who may desire to take advantage of these facilities for improving his condition.

The thrifty and enterprising people know that a good monetary system, which necessarily includes a good system of banks, will develop the resources and increase the prosperity of all alike. It was the representatives of these people who comprise the great and even overwhelming majority of the population of the United States who met at Indianapolis to devise means to induce Congress to grant the necessary legislation.

The plan which seems now to meet with the most favor is to retire the legal-tender and Treasury notes by the instrumentality of the banks, and at the same time give the banks the means of issuing a safe and elastic currency. The Government under this plan is to receive the notes now largely held as reserves by the banks, and issue in exchange a long-time bond bearing three per cent. interest. The notes received in exchange for the bonds are to be cancelled. The banks are then to deposit the bonds and receive circulation upon them, bearing a certain percentage to the par value of the bonds, and in proportion to the capital of each bank. The result would be that the Government notes would be retired and bank notes would take their place.

This plan is simple and can be carried out with very little change in the present national banking laws. Standing alone, however, it will not induce the banks doing business outside of the national system to enter the system. To induce State and private banks to convert into National banks will require other modifications of the national banking law, and without sufficient other inducement to the State and private banks to support the national system, these banks would probably strenuously oppose this plan. The

modifications that would render the Federal banking laws satisfactory to the banks now doing business under the general laws of the State are in the general line suggested by the Comptroller of the Currency and the Secretary of the Treasury in their last reports to Congress; viz., a reduction of the capital required to enter the system, and the privilege of establishing branches.

There should also be some change in the national banking law relative to loans on real estate. With these changes State and private banks would no doubt be willing to place themselves under the national banking law and to take out circulation.

The percentage of circulation permitted on the bonds must of course be such as will afford an adequate profit. As high as one hundred and twenty-five per cent. has been suggested.

The objection to this plan which will have the most weight is the one usually made to the retirement of the Government notes—that it is exchanging a non-interest bearing debt for one bearing interest. This argument is more plausible than sound, inasmuch as the Government has had and may have again to increase its interest-bearing debt to keep up the gold reserve which is absolutely necessary to keep its demand notes at par. By the exchange of legal-tender and Treasury notes for three per cent. bonds, it would once for all accomplish what it might have to do repeatedly if these notes are kept in circulation. In fact, it has already issued interest-bearing debt at four and five per cent. to obtain gold to keep the greenbacks outstanding sufficient to have retired them all. The greenbacks under the present system, while nominally non-interest bearing, may be the cause of repeated increases of the interest-bearing debt. There is no limit apparent. The exchange for three per cent. bonds and the cancellation of the notes would put an end to this source of loss to the country.

But while it is true that the objection mentioned is without much weight intrinsically, yet its plausibility makes it dangerous when used in Congress by an opponent of the plan.

The conversion of Government notes into bank notes can be accomplished without giving rise to this objection, if the plan suggested by the Editor of the BANKERS' MAGAZINE at the convention of the American Bankers' Association in Baltimore should be adopted. This was in substance that the banks be permitted to deposit the Government legal-tender notes with the Treasurer for cancellation and receive one hundred and twenty-five thousand dollars or perhaps one hundred and thirty-five thousand dollars in circulation for every one hundred thousand dollars in legal-tender notes deposited. The percentage of circulation authorized should allow a profit to the banks at least equal to that they could obtain by exchanging for three per cent. bonds. The Government would guarantee the bank notes in case of failure of the bank or voluntary liquidation to the extent of the legal-tender notes deposited. For the security of the excess of notes, there would be the first lien on all the assets of the bank and a safety fund made up by contributions of one-quarter of one per cent. annually on the circulation issued by each bank.

The effect of this plan would be to retire the greenbacks at once without any increase in the interest-bearing debt.

The banks would become the creditors of the Government to the extent of the legal-tender notes deposited by them. The Government, however, would have at least twenty years in which to pay the debt to the banks, and in the

meantime pay no more interest than it does now. If any catastrophe should occur so that through failures or liquidations the Government had to pay its indebtedness to the banks faster than its surplus revenues would permit, the worst that could happen would be the issue of bonds to secure the money to do it. But such a contingency is very improbable.

On the other hand it can make no difference to the banks as to profit whether they deposit three per cent. bonds, as a basis for circulation, or more simply deposit the legal-tender notes themselves which they would give for the bonds, if the profits in either case are made equivalent by the percentage of circulation to be received for issue.

If the three per cent. bonds went to a premium the banks would want to retire circulation and withdraw them, whereas by the plan above mentioned this motive for expanding or contracting bank currency with the state of the bond market would be taken away.

The United States could every year set aside a portion of its surplus revenue to form a sinking fund which, at the end of a given period, not less than twenty years, would pay the banks for all the legal-tender notes deposited by them. This sinking fund could be invested in United States bonds and stop interest on another portion of the interest-bearing debt.

If the $345,538,979 of legal-tender and Treasury notes in circulation outside of the Treasury on January 1, 1897, were all deposited by the banks, a surplus of $17,276,948 per year would pay them all in twenty years. In the meantime the banks would carry the debt for the Government and on the credit of it, at 135 per cent. circulation, could issue notes to the extent of $466,477,621. If so much was not required, the legal-tender notes not deposited by the banks and left in circulation would be so reduced that a very small gold reserve would be required to protect them, and they would be gradually absorbed for circulation purposes as the number of banks increased with the natural growth of the country.

Another objection to the issue of three per cent. bonds would be the fact that complaint would be made if the general public were not permitted to exchange greenbacks for them on equal terms with the banks. This would tend to put them at a premium, and while the object of retiring the legal-tender notes might be accomplished, that of securing an elastic bank circulation to succeed the retired legal-tender notes might be defeated.

There is reason to think that any bond that could be issued by the Government as a basis for bank circulation might, within a few years, rise in value, just as all other United States bonds have hitherto done, and render the circulation liable to contraction. On the other hand, legal-tender notes will probably be at a slight premium for circulation purposes, which will at once take them out of circulation.

The deposit of legal-tender notes themselves for cancellation, in order to create a credit on the books of the Treasury upon which a bank becomes entitled to issue circulation equal to one hundred and thirty-five per cent. of that credit, to be further protected by a safety fund, is much more direct and simple than the investment of the legal-tender notes in bonds and the deposit of these bonds as a basis for circulation. In fact it is the simplest of all, and runs much more easily into what is known as the Baltimore plan of issuing circulation to a certain percentage of the capital of the bank based upon the security of its general assets.

OBSTACLES TO INTERNATIONAL BIMETALLISM.

I.

The strongest card played by Mr. Bryan in the late presidential contest was in holding up to the public the fact that advocates of the gold standard had condemned their own policy by professing to favor an international agreement for the purpose of giving silver the freedom of the mints. It is a well-known fact that many advocates of international bimetallism have been actuated by no other motive than to dodge a troublesome issue. But no doubt thousands of sound money men have been led by this ruse into the belief that international bimetallism is a desirable and necessary thing. Already a number of journals and magazines are urging the new Administration to take steps towards the assembling of another monetary conference. Every effort of this sort is a confession that the present monetary standard of the civilized world is unsound and unstable, and an invitation to the cheap-money crowd to continue the war for free coinage at the ratio of 16 to 1. If we are to avoid another presidential issue over the standard of value and the triumph of the silver forces, we must cease the clamor for international bimetallism. At least sound money men should not be a party to this demagogic and mischievous proposition.

As a matter of fact international bimetallism is no more desirable than bimetallism by the United States alone; and if it were ever so desirable it ought not to be attempted, for the reason that it is impossible.

Financiers, statesmen and economists are pretty well agreed that to maintain two metals in circulation under a system of free coinage is an impossibility. It has been attempted in every civilized country time and again, and every effort to establish bimetallism has inevitably resulted in monometallism.

Can the Gresham Law be Circumvented?

However, many advocates of an international agreement believe that the operation of the Gresham law (which is that of two legal-tender moneys the least valuable will oust the other) could be circumvented by an agreement among the great nations of the world to coin gold and silver at a fixed ratio. They argue that if all the great powers were to coin these metals the demand for them would be uniform and constant, and hence their relative values would remain the same. In the second place, they argue, that if one metal should rise relatively to the other, the Gresham law could not come into play, because the dear metal would have no foreign market to fly to. "For whither would it go," says the economist Gide, "seeing that in every country it would be subjected to the same law. If in France an ox could not be sold for more than one sheep, all oxen would assuredly be sold abroad; but if abroad, too, they were treated exactly on the same footing, they would remain where they were."

The fallacy of this reasoning is twofold. In the first place, variations in

the value of the two metals could not be checked by international or even universal agreement. The same laws govern the value of gold and silver that govern the value of everything else. The quantity of anything remaining the same, its value will vary if any change takes place in our estimate of its utility, or in other words, if any change takes place in our desire for it. Our estimate of the utility of a thing remaining the same, the value of it will vary if there is any change in supply. The present market ratio between gold and silver expresses the social appraisement of the metals. The quantity of them being what it is the desire for them respectively is as 30 to 1. The fixing of an international coinage ratio of 16 to 1 would probably enhance somewhat the utility of silver, as that would be the preferable money for debt clearing. But there is no reason for believing that the increased use of the white metal would cause it to rise sufficiently to equal gold at a 16 to 1 ratio. If the nations of the earth can by passing silver through the mints make 16 lbs. of it equal to one of gold, why may they not do the same with iron or lead or paper?

Under an international system of bimetallism the same causes which now operate to make silver unpopular and cheap would still be in force. Gold would continue to be preferred for large payments and foreign trade would continue to be conducted upon a gold basis, although gold were at a high premium. Business men would everywhere be just as adverse as ever to carrying the heavy, bulky white metal in their pockets and lugging it to and from the banks. In spite of all mint edicts the ladies would probably continue to prefer one gold watch, ring or breastpin to sixteen of such fashioned in silver. As long as the people prefer one pound of gold to sixteen of silver, so long will a legal ratio of 16 to 1 be false and inoperative.

There is one way, and only one, by which the nations of the world could maintain a fixed ratio between gold and silver. That is by some sleight of hand whereby exactly the same quantity of them should be dug from the earth every year, and at the same time no change should take place in the taste or fashion of the people, and no consequent change of notions respecting the relative utility of those metals. But before governments undertake to do this, I recommend to them the problem of perpetual motion, the squar- of the circle and the chaining of the rainbow.

The second fallacy of the international bimetallists consists in supposing that the Gresham law could not operate because there would be no inducement to export one of the metals to a foreign country. It is not necessary for one of them to cross the Atlantic in order to be ousted from circulation in the meaning of that law. If by universal agreement an ox and a sheep be declared of equal value in settling debts, that fact would not prevent men from preferring to pay their obligations in sheep, which can be raised at less cost than oxen. Under such dual standard oxen would never be used as money at all, and sheep would constitute the only medium of exchange. The disappearance of oxen from circulation would not imply that they had migrated to some foreign country, and the fact that they were no longer used as money would not impair their value as beef, nor affect the demand for tenderloin steaks and rib roasts.

Some economists believe that international bimetallism would really make a sort of single compound metal standard, as though the two metals were dug from the earth already joined together at the ratio of 16 to 1. But if

they were to be dug from the earth in that way and the people preferred one pound of gold to sixteen pounds of silver, they would melt down the mass to get the yellow metal and sell it at a premium.

The value of the two metals can no more be equalized by an international ratio than the value of a sheep and an ox can be made the same by tying their tails together. Hence the only effect of international free coinage of gold and silver would be to place the civilized countries upon the silver standard. Then all the world would be on the same monetary basis and all the business of the world would be done with one metal, except perhaps the payment of international balances. That is exactly what bimetallists dread and wish to avoid. Would it not be better to leave matters as they are?

JEROME DOWD.

DURHAM, N. C.

II.

National bimetallism is now thoroughly discredited the world over. For many years it has found no responsible advocate in Europe, and in the late election it was repudiated by the conscience and intelligence of the American people.

International bimetallism, however, is a very different thing, and was in nowise involved in the campaign. Indeed, international bimetallism is unquestionably stronger to-day than it has ever been in the past or is likely to be in the future, for the present marvellous burst in the output of gold will rob the bimetallist of his chief argument. No one can hereafter be frightened into bimetallism from fear of a scarcity of gold.

In England there is considerable bimetallic sentiment among college professors, Indian officials and manufacturers, whose trade with silver-using nations has been somewhat hampered by violent fluctuations in exchange and the fall in the price of silver, but Mr. Gladstone unquestionably voiced the conviction of an overwhelming majority of the governing class in his memorable speech against bimetallism, delivered in the House of Commons, February 28, 1893, and at the last session of Parliament Sir Michael Hicks-Beach, Chancellor of the Exchequer, speaking for the present Government, said: "But we are all agreed in this, that we should not be justified in proposing or accepting a departure from the gold standard of the United Kingdom."

English bimetallists are strenuous and vocal and seem to be more powerful than they are. The monometallists for the most part are silent and passive, confident that gold monometallism is not seriously threatened by mere academic discussion. They have rightly insisted that the burden of proof lies on the bimetallists, and that a system of currency that has become established by a natural process of evolution and is entrenched in the usages and conservative instincts of the commercial and financial world, is not likely to be overthrown by the desultory attacks of ideologists.

As there seems to be considerable sentiment in favor of our Government calling another international monetary conference, it may not be unprofitable to state some of the obstacles to international bimetallism.

COMMERCIAL CLASSES SATISFIED WITH GOLD MONOMETALLISM.

The chief obstacle lies in the fact that the commercial and financial classes of England, Germany, France and the United States are satisfied with

gold monometallism. And with reason. There is a strong presumption in favor of a system that has become established by the operation of natural causes. Gold has become the standard of the civilized world, not through international monetary conferences, not as a result of political campaigns, not by concerted legislative enactment, but by its own inherent fitness. It became the standard in fact by the free choice of the commercial and financial world before it was made so in law. The legislatures simply registered an existing fact. It was a natural process of evolution—another case of the survival of the fittest. Gold has never stood in need of statesmen who were "friendly" to it. It has claimed no "natural rights." No nation has ever closed its mints or changed its mint ratio for fear of being overrun by gold. It came to be preferred to silver simply because it was more stable in value and more convenient. Silver is 15½ times as heavy as gold and 28½ times as bulky proportionally to value. Gold takes far less room in the bankers' vaults, it can be more easily carried from bank to bank, it can be more cheaply shipped from one country to another in the settlement of international balances, it can be more quickly and easily counted and handled, and owing to its modes of occurrence in nature it is less variable in value. These natural qualities of gold have decided the battle of the standards. There was no conspiracy, no concerted action, but simply an unconscious selection by the commercial and financial world of the more convenient and less variable metal. This inextinguishable preference of the business world for gold would prove fatal to the maintenance of a parity between the two metals at any ratio. Legislatures can establish a ratio and make silver a legal tender, but they can not overcome the preference of men for gold, because they cannot legislate out of existence those physical qualities of gold which are the cause of that preference. They can not prevent men from contracting specifically in gold. Such contracts are now made for fear bimetallism will be established. If it were established they would be made to guard against a loss from the depreciation of silver that would surely follow a disruption of the league. For a like reason and because it can be more conveniently kept in their vaults, banks would pay out silver and retain gold as they do to-day. Shippers would always be willing to pay a premium for gold equal to the difference in the cost of shipping the two metals. Again, this natural and well-founded preference for gold and the certainty that it would be silver and not gold which would depreciate upon a termination of the convention, would cause extensive hoarding of gold.

For these reasons gold would probably always command a small premium under a bimetallic *regime*, and the business world would suffer from the inconvenience of two kinds of money circulating concurrently but not at a parity.

England Another Stumbling-Block.

An insurmountable obstacle to international bimetallism lies in the fact that England is firmly wedded to gold monometallism, and England confessedly holds the key to the international monetary situation. Neither France nor Germany would think of joining a bimetallic league of which England was not a member. The resolute hostility of England has caused every international monetary conference to result in nothing but futile academic discussion. Nor can we expect that England will change her attitude, for

there are excellent reasons beyond those purely economic why she should hold fast to gold monometallism. She is the only country of the proposed bimetallic league without a large quantity of full legal-tender silver, and she is largely a creditor nation. It is therefore highly probable that she would be flooded with silver. Again, there is a very grave probability that the moment Parliament voted in favor of bimetallism capitalists would call in all their loans subject to call in the hope of getting gold before it should go to a premium, and for the purpose of investing in silver. This would inevitably cause panic and widespread bankruptcy. The fact that the Charter of the Bank of England requires that four-fifths of the metallic reserve against which its notes are issued shall be gold, is another serious obstacle. The adoption of bimetallism would necessitate a change in this provision, but such a change would meet with determined opposition from a class which is all powerful in England. Although England is the banking center of the world primarily because she has larger foreign debts and credits growing out of her world-wide commerce and carrying trade than any other country, her commanding position in the financial world is in no small degree due to the sense of security that is everywhere felt in her present monetary system. She will never hazard her present position by trying any doubtful monetary experiments.

Indifference of Other Nations.

There is no bimetallic sentiment whatever in Norway, Sweden, Denmark or Switzerland. It is highly improbable that they would join the league even with England a member. The monetary condition of Russia and Austria would keep them from joining a bimetallic league. For many years they have made great sacrifices to be able to resume specie payments on a gold basis, and are even now in the midst of the process. The temptation for them to remain outside and draw gold from the members of the league would be irresistible. Then, too, the strategic advantage of having an immense war-chest of gold would alone be sufficient to hold Russia back from the bimetallic experiment. Another strong deterrent as respects Russia is the fact that she has a public debt amounting to over a billion dollars specifically payable in gold.

Remaining outside the league, the capacity of these nations to absorb gold would be almost certain to render the bimetallic experiment unsuccessful.

The Question of a Proper Ratio.

Perhaps the greatest obstacle to bimetallism is the impossibility of agreeing upon a ratio that would insure possible success. There would be no chance of permanent success unless the ratio adopted approximately corresponded with the relative cost of producing the two metals. The French ratio of 15½ to 1 does not satisfy this requirement, and yet it is the only ratio upon which an international agreement could be based, because France, Germany and the United States would not consent to the adoption of a ratio that would necessitate the recoinage at a loss of their large stocks of silver coins.

Bimetallism Merely a Theory.

The conservatism of the commercial and financial classes is alone sufficient to prevent the adoption of bimetallism. They know that no such revolutionary experiment could be tried without introducing an element of uncertainty

and distrust that would seriously hinder trade. Bimetallism presents itself to them in the hateful form of a theory, and its advocates can give them simply the assurance of an *a priori* probability that gold and silver would circulate concurrently at par. Bimetallists are like Mark Twain's scientists. They do a wholesale business of theory on a retail capital of fact. When we consider the probable operation of bimetallism we are confessedly in the region of pure speculation. The experience of the past can not guide us, for no such experiment was ever tried. The bimetallic *regime* of France is irrelevant, for France conformed her mint ratio to the commercial ratio. The French experiment, in so far as it is revelant at all, is a warning, for it broke down as soon as there was a material change in the relative production of gold and silver. As Jevons has well said:

"It may be safely said that the question of bimetallism is one which does not admit of any precise and simple answer. It is essentially an indeterminate problem. It involves several variable quantities and many constant quantities, the latter being either inaccurately known, or in many cases altogether unknown. The present annual supplies of gold and silver are ascertained with fair approach to certainty, but the future supplies are matters of doubt. The demand for the metals, again, involves wholly unknown quantities, depending partly upon the course of trade, but partly also upon the action of foreign peoples and governments, about which we can only form surmises. * * * When we pursue an inquiry of this complex and indeterminate kind, it resolves itself into endless hypotheses as to what will or will not happen. Nevertheless, it does not follow that because statistical science fails us, we can come to no practical conclusion; on the contrary, from the very vagueness and uncertainty of the subject may emerge a conviction that it is best to do nothing at all."

We do not know what the future relative cost of producing gold and silver will be; nor to what extent the commercial world would contract specifically in gold; nor the extent of the monetary demand for gold outside the bimetallic area; nor the future industrial demand for gold; nor the extent to which gold would be hoarded; nor the disruptive effects of international jealousy, distrust and war; nor the effects of issuing irredeemable paper money by any of the contracting parties. Yet in this ignorance we can not arrive at that degree of certainty as respects the working of bimetallism which we should possess before trying an experiment the failure of which would entail such far-reaching and disastrous consequences. It is a dictate of ordinary prudence that before making so momentous a change we should be convinced of its wisdom beyond a reasonable doubt. As a failure of bimetallism would leave behind an immense stock of depreciated silver the experiment is not one that should be tried with a light heart. As Dr. Lexis, the leading economic authority of Germany, has said:

"An experiment in bimetallism, however, would surely be a vivisection performed on the body politic, which might prove to be ominous in its consequences throughout the whole social organism. Therefore, putting aside all the scientific interests involved, out of consideration for the general welfare, I feel it necessary most earnestly to give warning before the experiment is undertaken. In foolhardy temerity such an experiment would hardly find its parallel."

THEORIES OF THE BIMETALLISTS.

The fact that most gives the nations pause when bimetallism is proposed is the strong probability that it would result in silver monometallism. That is, silver would become the standard of value, while gold would circulate at a premium and gradually, if existing conditions continued, go out of

circulation altogether. This on the assumption that the ratio adopted were 15½ to 1—the only possible one. As the commercial ratio is about 31 to 1, silver would be greatly overvalued at the mints. This factitious price would immensely stimulate its production. We can understand what would happen from our experience under the Sherman law. Probably not less than $300,000,000 of silver would be offered at the mints the first year. What effect would this immense addition to the world's currency have upon the gold now in circulation? Would it drive it out? Certainly not at once. There is too much of it and bimetallism is not proposed except on condition that the league include all the great commercial and gold-using nations. There would therefore be no great area outside the league to which gold could be sent. Being confined within the bimetallic basin gold would perforce circulate with silver and according to the bimetallic theory of compensation it would have to circulate at par or nearly so. It is maintained that the compensatory action of bimetallism would bring about the concurrent circulation of the two metals at par in this wise. Silver being overvalued at the mint there would be an immense demand for it as money. This increased use of silver as money would correspondingly lessen the demand for gold. Gold would therefore fall in value until an equilibrium was established between the two metals at the mint ratio.

There are three incontestable facts that would prevent the operation of this beautiful theory of the bimetallists. First, the fact that the two metals are not equally well fitted to discharge all the functions of money would prevent the full operation of this compensatory action. Gold is so much more convenient for large payments and shipment abroad that it would command a small premium for these uses. Again, the large demand for gold created by contracts expressly payable in gold and the monetary demand outside the league would prevent its fall. Yet again, the industrial demand for gold would prevent its fall to an equality with silver at the ratio of 15½ to 1. As Prof. Hadley has said: "It is more than likely that the whole gold product of the world could be used in the arts, leaving silver alone to perform the functions of money, without so far lowering the demand for gold and increasing that for silver as to make their price ratio as low as 16 to 1."

Just here it may occur to the reader that a fall in gold would not be necessary to secure the concurrent circulation of the two metals at par, as silver would rise to an equality with gold at the mint ratio. International bimetallism would perhaps accomplish this for a time, but the test of bimetallism is its ability to keep the two metals in circulation at par permanently. For a time the ratio adopted is not very important, but unless the ratio roughly corresponds with the relative costs of producing the two metals their parity could not be permanently maintained, for the value of money, like every other commodity, is ultimately determined by its cost of production. Now, the ratio 15½ to 1 would give so great an advantage to silver that it would be brought to the mints in far greater quantities than gold. At first the dollars coined would have the same purchasing power as the present dollar, but with the gradual inflation of the currency their value would fall until it corresponded with the cost of production. Would gold and silver keep together in this fall so as to circulate at a parity? No. Long before the silver dollar reached its cost of production it would pass the point at which gold could be profitably minted. In other words, assuming that the

present relative cost of production continues, gold and silver could not circulate at par permanently at the ratio of 15½ to 1 because silver could fall further in value and still be more profitably minted at that ratio than gold.

INTERNATIONAL CONFERENCE WOULD BE A FARCE.

The obstacles that have been stated would render ineffectual an international monetary conference. Such a gathering has come to be a broad farce. The leading nations sent representatives to the last conference merely out of civility, and there has been no change of sentiment since 1892. Even so thorough-going and able an advocate of bimetallism as the late General Walker admits in his recent book on international bimetallism the futility of calling another conference.

But assuming the desirableness of another conference, there are cogent reasons why we should not take the initiative in calling it. The conferences of 1878 and 1892 assembled upon our invitation and that of 1881 upon the joint invitation of France and the United States. Obvious considerations of propriety demand that we should allow others to take the initiative in the future. Then again, we are largely indebted to Europe and are the largest producer of silver in the world. An invitation from us, therefore, wears too much the aspect of a scheme to enrich ourselves at the expense of the other nations. Nor are European statesmen ignorant of the fact that our public men advocate bimetallism more from a desire to placate the western vote than from a reasoned and disinterested conviction of its utility. Finally, and above all, political prudence should silence our politicians on the subject of bimetallism. Every word uttered in favor of international bimetallism is an acknowledgment that gold monometallism is an evil to be remedied and so gives moral support to those who urge independent action on the part of our Government. When we consider how alarmingly strong are the forces of social and economic unrest in our country, as shown by the last election, it seems sheer fatuity in our public men to talk of international bimetallism instead of strengthening the conservative forces by insisting on the want of any relation between the gold standard and existing business depression.

Let us have peace. What the business world needs is to be freed from apprehension of revolutionary changes. Talk of international bimetallism creates uncertainty and distrust and thereby deadens enterprise. Let us turn from futile monetary discussion to strenuous industrial endeavor. Let us address ourselves with renewed hope to the exploitation of our marvellous natural resources, well assured that so long as we have the same standard of value as the great commercial nations who are our chief customers and our chief competitors, no great harm can befall us from that source. Above all, what befits us as a nation, now that our days of joyous expansion are over and our life is becoming close and difficult, is to learn well the much-needed lessons of political and business conservatism. MARK B. DUNNELL.

MINNEAPOLIS, Minn.

PRIVATE BANK SUPERVISION.—The question of compelling private banking institutions to submit to State control and supervision is under consideration in Connecticut, a bill having been introduced in the Legislature with this end in view. It is difficult to see why all banks of discount and deposit in a particular State should not be placed under the same restrictions in the conduct of their business. If supervision is a benefit, the private banks should share it; if it is a hardship, they ought to bear their part of it.

LOANS TO CORPORATIONS—LIABILITY OF STOCKHOLDERS.

[Substance of an Address by John J. Crawford, before Group VII., New York State Bankers' Association.]

GENTLEMEN :—I do not imagine that when you come to make a loan to a corporation, you include among the collaterals upon which you make the loan the liability of the stockholders; and I suspect that if you have ever had to fall back upon that security you have found it rather illusive. I imagine, also, that you have found it a matter of lending upon a law-suit; for I think it is the common experience that every stockholder regards it as a liability which he is justified in escaping. There would be no use in pursuing a stockholder, unless he were a man of property; and usually it happens that the stockholder sought to be held liable has paid up his subscription in full, and he thinks that he ought not to be called upon to pay anything more. He feels as though he were being held liable for the debts of other people. He is disposed, therefore, to contest the matter, if his lawyer can show him any mode of escape. His disputing such a liability can not affect his credit, and one of the strongest inducements to pay is thus removed. In some cases, too, the liability is a hardship, and works great injustice. At the session of the New York Legislature in 1895 a bill was passed both by the Senate and Assembly which, among other things, restricted the liability of stockholders to the amounts unpaid upon their own stock. This bill did not, however, receive the approval of the Governor.

There are two kinds of stockholders' liability. The first kind is that which exists independently of any express provision of the statute. In equity the amount which remains unpaid upon the subscriptions for capital stock is treated as an asset of the corporation, and the courts have held that a judgment creditor of a corporation may, by an ordinary creditor's bill, recover from the stockholders the amount unpaid upon their shares, and that the creditors may do this though by the terms of the subscription payments were to be made only as called for by the directors of the corporation. This liability exists independently of statute, and is a general rule applicable to all corporations. In this State, however, the subject is now almost entirely regulated by statute.

You are doubtless aware that all of the corporation laws have been recently revised. This revision includes many features of the old statutes, but many of the old laws have been materially changed, and many provisions have been added which were not in the former law. In order that I may make myself clear as to what I shall say hereafter, permit me to explain the general scope of these laws. There is, first, the General Corporation Law, which is applicable to all corporations and divides them into four classes; namely, municipal corporations, stock corporations, non-stock corporations

and mixed corporations. The next statue is the Stock Corporation Law, which is applicable to all corporations having a capital stock. Stock corporations are divided into moneyed corporations, transportation corporations and business corporations. The general provision fixing the liability of stockholders is in the Stock Corporation Law. That law provides as follows:

"The stockholders of every stock corporation shall, jointly and severally, be personally liable to its creditors, to an amount equal to the amount of the stock held by them respectively, for every debt of the corporation, until the whole amount of its capital stock issued and outstanding at the time such debt was incurred shall have been fully paid."

The liability, you will observe, is for every debt of the corporation. This includes, of course, loans.

A stockholder may be held liable for the debts of the corporation, though the full amount of his own subscription has been paid. Before he can be relieved of liability all the other stockholders must have paid up their subscriptions as well. It is not required, however, that the entire amount of capital stock shall have been paid up in full. It is only the stock issued and outstanding that must have been so paid up. Hence, if any of the subscriptions have been cancelled, the failure to pay up these subscriptions does not impose a liability on the stockholders, if all the subscriptions uncancelled have been paid up. So if stock has been issued and has been returned to the corporation and has been cancelled, there is no liability. But it would not be possible for the stockholders to escape liability by cancelling stock or subscriptions after the debt has been contracted. If you make a loan to a corporation before the capital stock issued and outstanding has been paid up in full, all the persons to whom any of the stock has been issued are liable for the amount until that stock has been paid up. Should the stock be paid up after the loan was made, but before its maturity, this would probably relieve the stockholders. But after the debt has once matured the liability has become fixed, and the stockholders could not escape that liability by a subsequent act.

Under the Manufacturing Companies' Act the stockholders were not relieved from liability until the capital had been paid up and a certificate of payment had been filed. The filing of a certificate is not now required. It was a provision which sometimes worked great hardship, for in a number of cases stockholders were held liable after the capital had been fully paid up, merely because there had not been a compliance with this formality. Persons dealing with the corporation very rarely looked for the certificate before they gave credit, and it was only looked for after the corporation had become insolvent.

It is not necessary that the capital shall have been paid up in money. It may be paid in property of any kind that the corporation is authorized to hold; but this property must be taken at a fair and proper valuation. If the valuation placed upon it is excessive, then it would be deemed that the stock is not paid up in full and the stockholders will be liable for the debts of the corporation. Whether the valuation is a fair one is a matter which is usually submitted to the jury, and if they find that the valuation was excessive they are authorized to return a verdict against the stockholder.

A question of some concern to you, perhaps, is whether a person holding stock as collateral security is deemed a stockholder, and liable for the debts of

the corporation. The terms of the statute expressly exempt such persons from liability, and under a former statute it was held that though the stock had been transferred into the name of the pledgee, yet he might show that he held the stock only as collateral security. This would probably be held to be the rule under the stock corporation law, though whenever transfers are made in the name of the pledgee, it is much the safer and better course for him to have the transfer show the capacity in which he holds the stock. It has been held under the National Banking Act that the words "as pledgee" are sufficient to relieve the transferee from liability, and clearly those words, or such words as "as collateral" would be sufficient under the law of this State.

The statute also exempts from liability any person holding stock as executor, administrator, guardian or trustee, unless he shall himself have voluntarily invested the trust funds in such stock. Where the investment is not voluntarily made by the person so acting in a representative capacity the liability is fastened upon the estate, and such estate is liable in like manner and to the same extent as the testator, intestate or ward or person interested in such trust fund would have been if he had been living and competent to act and to hold the said stock in his own name.

Now let us see what you must do to enforce the liability of a stockholder. The first step is to get a judgment against the corporation; then you must issue execution on that judgment and have the execution returned unsatisfied. The object of requiring the creditor to exhaust his remedy in the first instance by judgment and execution against the corporation is to protect the stockholders from being called upon until an effort to collect from the principal debtor is shown to be unavailing. If the corporation has been dissolved, or is in the hands of a Receiver, so that you can not get a judgment against it, this requirement will be dispensed with; but then as the whole assets of the corporation are in the custody of the law for equal distribution, your action must be in equity and in behalf of all of the creditors.

The judgment against the corporation fixes the amount of the debt and the liability of the corporation to pay it, and these facts do not have to be again established in the suit against the stockholder.

The statute provides that no stockholder shall be personally liable for any debt of the corporation not payable within two years from the time it is contracted. It is not probable that any of you gentlemen would make a loan for a longer period than two years. Perhaps, however, you might make demand loans which would be carried for that length of time. But I think there would be no doubt of your right to hold the stockholders in that case; for what the statute evidently contemplates by debts not payable in two years is something very different from this.

There is another provision of the statute as to time, which is much more likely to affect you, and that is the provision that the action against the corporation must have been brought within two years after the debt becomes due. If you indulge the corporation for a longer time than two years, you lose your recourse against the stockholders. And if you wish to hold a person who has ceased to be a stockholder, you must bring your action against him within two years from the time he has terminated his relation with the corporation.

FURTHER CONSIDERATIONS OF OUR CURRENCY PROBLEM.

One of the beneficial results of the presidential contest of 1896 has been to call the attention of everyone to the condition of our national finances.

In the summer of 1893, when the menace to public credit caused by the continued accumulations of silver in the Treasury had become apparent and had sent the first wave of a panic over the commercial world, public opinion was aroused and forced Congress to stop its accumulation. So twenty years before it was only after a severe panic followed by extreme business depression that public opinion brought about the resumption of specie payments, in 1879.

Whenever a crisis in our financial affairs occurs public opinion, if rightly directed, will naturally be on the side of honest money and a sound currency. We should therefore take advantage of the present popular interest to place our monetary conditions upon a substantial and permanent basis. A nation can not always subsist on the heroic virtues in finance, any more than in other fields, and the adoption of some makeshift policy now may delay a thorough reform for another thirty years, with all the consequent distress necessarily resulting from such a course.

Paper Currency and the Gold Reserve.

Our paper currency in circulation at the present time consists of about $275,000,000 of legal-tender notes, $222,000,000 of National bank notes, $356,000,000 of silver certificates and $38,000,000 of gold certificates. To these must be added over $80,000,000 of legal-tender notes, issued for the purchase of silver bullion under the Act of July 14, 1890. The national banking currency has been steadily replaced by silver certificates. From 1868 to 1887 the National bank notes issued and outstanding exceeded three hundred million dollars; from 1881 to 1883 exceeding three hundred and fifty millions, and since that time there has been a steady decrease in National bank currency and a practically corresponding increase in the amount of silver certificates.

The security for the payment of these several issues of notes, amounting to nearly one billion dollars, directly or indirectly depends upon the credit of the Government. The payment of the original legal-tender notes is secured by the maintenance of a special deposit of gold coin in the Treasury approximately equal to one-third of the issue. The National bank notes are indirectly guaranteed by the Government through the deposit by the banks of Government bonds exceeding in face value, and largely exceeding in market value, the issue of notes. The gold and silver certificates are secured respectively by the deposit of equal amounts (nominal value) of gold or silver coin or bullion, held for the redemption of such certificates.

The Treasury notes of 1890 are the promises of the Government. The Act under which they were issued provides that there shall remain in the Treasury at all times an amount of silver coin or bullion equal in nominal

value to the notes, issued and outstanding, for which they are issued. It further declares that it is the policy of the United States to keep gold and silver at a parity at the present ratio.

The startling fact appears, therefore, that the Government is floating a billion of dollars of paper currency on an average specie basis of one hundred millions in gold and five hundred millions in silver.* It is this fact that has made the great accumulation of silver so portentous. The silver being worth but little more than one-half its nominal value, the operation of the well-known law, that the cheaper money always excludes the dearer, would, if the coinage of silver continued, cause the withdrawal of gold so rapidly as to force the Government to abandon its gold reserve and pay the legal-tender notes in silver. Having for the time being, at least, escaped this danger, we we should now place it beyond the possibility of recurrence. As long as the legal-tender note issue exists in its present form the danger is present. Any doubt cast upon the ability to maintain specie payments in gold, or possibly any excessive or redundant issue of paper money, will cause the withdrawal of gold.

A reform of our currency is imperative, and such reform must lie along the lines of a banking law. The currency must be safe. It should be uniform in all parts of the country and it should be elastic. The first two requisites absolutely preclude the idea of "free banking." The assumption that only the community in which "wild-cat" banks exist suffer from their existence is fallacious. Their bills are distributed to all parts of the country, and when a suspension occurs note holders far and wide suffer. A relapse to such a system would be insufferable.

The present National Bank Act was adopted in 1864, primarily as a measure for disposing of Government bonds. It has, however, in most respects proved itself an exceedingly sound and convenient system, and it may be doubted whether there would have been any considerable agitation for its modification had not the rapid reduction of the national debt threatened soon to remove the security upon which its issue was based. It always, however, furnished in connection with the legal-tenders a more or less plausible argument to certain agitators that the Government not only furnished the banks a currency, but at the same time paid them for its issue through the interest received on the bonds deposited, and this argument might have some force if it came to the question of issuing bonds solely as a basis for the currency. There is one thing that the National Banking Act has accustomed the American people to which they will never be prepared to forego. That is a currency equally good in all parts of the country, no matter how small or insignificant the institution from which it emanates. This is due to the Government guarantee, and it may well be doubted if anything else can supply this certainty. Any national banking Act must provide for the safety of notes issued not only by the banks of large cities, carried on by men of the greatest financial experience and sagacity, but also for those situated in regions remote from money centers, and carried on by persons of little experience. The only guide to which we can point is our own experience

*At present the amount of gold coin and bullion in the Treasury is considerably more than the average, and the amount of greenbacks outstanding, less. There was on December 1, 1896: Gold coin, $117,557,275; gold bullion, $51,969,827; standard silver dollars, $382,972,296; subsidiary silver, $14,570,200; silver bullion, $112,137,954.

with the State banks prior to 1860. While in conservative communities there was no difficulty, by means of frequent redemption, in keeping notes circulating at par, notes issued outside of such communities circulated at a discount. A governmental guarantee, as we have seen in our present currency, not only obviates the necessity of a large number of redemption agencies, thus minimizing the amount of gold needed for such purposes, but it effectually eliminates from the credit of the note all question of the character of its parentage.

The one serious objection to our national banking system, however, is its want of elasticity in the note issues. Any issue of currency, based solely on Government securities, can not respond to the necessities of trade and commerce, expanding as the necessities of trade require and receding when the demand is over. There thus, under our present system, comes to be a more or less fixed volume of currency, productive of inflation and over-speculation at certain periods, followed, when the volume has been absorbed by inflated values, by forced contractions and panics.

The Bank of England removes the objection to such a currency by pro viding that beyond the currency issued on the Government debt, additional currency shall be issued upon the deposit of gold. Its note issue based upon securities is now only about one-third of its total issue. It maintains its gold reserve by increasing its interest rate as gold is withdrawn, and thus attracts to itself the gold which would otherwise flow away. There are many obvious reasons why it would not only be impossible, but undesirable, to attempt to engraft this system upon ours. There are, however, many faults in our banking system, such as the restrictions upon the amount of circulation which may be retired within a given time; the time that must elapse before an increase is permitted to a bank which has reduced its circulation; and the time necessary to secure any temporary increase, all of which tend to make the system irresponsive to the wants of trade.

The Baltimore Currency Plan.

At the convention of the American Bankers' Association, held in Baltimore in October, 1894, a plan was presented to and approved by the convention which in many of its characteristics was subsequently recommended by the Secretary of the Treasury and by the Comptroller of the Currency, and is popularly known as the "Baltimore Plan." This, briefly, is that National banks shall be allowed to issue bills, under such regulations as the Government may prescribe, up to a certain fixed percentage of their capital, on their own credit, and that a further temporary or "emergency issue" may be made in times of stress. The plan also provides for each bank keeping a coin reserve sufficient to provide for the redemption of its own bills, and, in addition to this, for the accumulation of a redemption fund with the Government for the ultimate protection of the note holder.

An obvious criticism of this plan is that it places all banks in the same class, the strongest being made to contribute to such redemption fund in the same proportion as the weakest. In any system not dependent upon a governmental guarantee there must be frequent redemption of the notes in order that they may be kept at par with coin. This is not only admitted, but it is maintained by those who desire to see the currency removed as far as possible from governmental control that frequent redemption is necessary to

healthful banking. Why is it desirable except as a necessary measure under a free currency system has never been explained. It certainly involves great cost of transportation (a very important item to the smaller country banks) as well as loss of interest during transportation and redemption, and makes necessary a much larger coin reserve than would be requisite if redemption were at a single reserve centre.

But aside from this it may well be doubted whether under the diverse conditions present in this country any system not strictly dependent upon a governmental guarantee, backed by an adequate coin reserve, will furnish the security necessary to perfect safety. No other system ever has done it in this country except within limited areas, and such a guarantee has under much more trying conditions than any we are likely again to experience. Not for a moment since the resumption of specie payments in 1879 has there been any question that all bills, whether issued by the Government or by the banks, would be redeemed in coin upon demand. It is true there has been some doubt lately whether such redemption would be in gold or in silver, but whatever our system, bank notes will be redeemed in the coin of the country, and as we have seen gold redemption continued even when the gold reserve had sunk to less than ten per cent. of the total issue of paper. The silver in the Treasury was a burden instead of a help. It was only the medium of payment which became doubtful, and the accumulation of so large a proportion of the reserve in silver could not fail to be productive of doubt.

Menace of the Legal-Tender Notes.

Then, too, the existence of nearly five hundred millions of legal-tender notes, either outstanding or subject to reissue, is something to be counted with. In their present form they are a constant menace, not so much from any question as to their redeemability, or now, even their redeemability in gold; but because they offer a constant temptation to legislative manipulation and extension, and bear no relation to our business needs. They do not constitute "flat money" in any fair sense of that term, for they possess no fictitious value and do not pretend to be what they are not. The promise to pay which they contain is always fulfilled upon demand. But whether for good or ill, no proposition which involves the issue of bonds for their retirement would stand the least chance of passing Congress either now or in the immediate future, nor would one for their gradual retirement through the cancellation of the notes received in payments to the Government. While the absolute removal of these notes may be impossible, we may be able so to amalgamate their issue with that of the National bank notes and coin certificates as to remove them from the domain of politics to that of the business world, and thus to cause their issue and redemption to be authorized strictly by the necessities of business.

Prejudice against the National Banks.

Another element which must be given its full weight, but which is too often overlooked (except by politicians) in any consideration of currency reform, is the undeniably widespread jealousy among a large portion of the public of banks and particularly of National banks. For this the obscurity of the present system is largely responsible. If the public could clearly understand that the banks were paying to the Government a fair percentage of

the profits resulting from the circulation, a different feeling would be engendered. The fact that the banks on account of the high premium on the bonds derive but little profit from their circulation does not fully do away with the prejudice. The profit to the Government from the issue of legal tenders can easily be appreciated. If the banks were to pay the Government interest directly for the notes, that could equally be understood.

Suggestions for a Bank Currency.

In a previous article on this subject the present writer suggested, as a modification of the "Baltimore Plan," that the Government should issue to National banks notes up to a certain percentage of their capital upon their credit alone, without the deposit of bonds, they to pay therefor a low rate of interest, and that succeeding issues to a greater percentage of their capital be made upon a steadily increasing rate of interest and sufficiently high to keep the issue at the lowest point, except in times of panic or when extraordinary conditions demand a temporary increase of circulating medium, or in places where the rates of interest were high and banks could afford to pay the increased rate for increased circulation.

Such a currency should be issued by the Government directly to the banks. It could well be of a uniform character, not printed on separate plates, and could thus be issued to any bank immediately upon requisition, and could as readily be retired. A debit and a credit account would be kept with each bank and the interest due from it would always be easily ascertainable. The notes should be guaranteed by the Government, and preferably not be legal tender, but should be receivable for all dues to the Government and should be redeemable at the Sub-Treasury in the City of New York, the monetary centre of the country.

The interest received from the issue would not only provide an adequate redemption fund, but should furnish a substantial revenue to the Government, and such a revenue would be contributed in exact proportion to the risk assumed in the guarantee. The law should also provide for the maintenance of a redemption fund in gold coin of, say, one-third of the total issue with a further provision that whenever this fund sunk below a certain amount (say twenty per cent.) bonds should be sold to replenish it, and when the sum exceeded a certain proportion (say forty per cent. of the note issue) bonds should be bought. The law should further provide that any bank could receive notes to any amount without interest upon the deposit of gold coin or bullion of an equal amount in the Treasury.

Practical Operations of the Plan.

Now let us see how such a system would work in actual practice. The highest capitalization attained by the National banks was about $700,000,000, in 1892. With the retirement of the legal tenders and silver certificates and the consequent increased demand for National bank notes, it would probably largely increase. Let us suppose that the ordinary requirement of business was a note circulation of $600,000,000, that a minimum requirement was $400,000,000, and that on extraordinary occasions as much as $800,000,000 or $900,000,000 might be necessary. With the normal issue of $600,000,000 the normal reserve would be one-third, or $200,000,000. Now let us suppose a somewhat sudden increase in the demand for currency, induced by the

necessity of moving large crops or from other causes, to the extent of $200,000,000, or $800,000,000 in all. The interest rate to banks would be increased by operation of law; banks would raise their rates to their customers, and gold would be attracted to this country precisely as it is attracted to London when the Bank of England increases its rate. Banks at the money centers would prefer to deposit gold and take currency to use for transportation within the country, rather than to pay the extra interest required by law for an increased issue on their capital account. That gold would be deposited in exchange for currency we know, not only from the constant experience of the Bank of England, but notably from our own experience, in the autumn of 1896, when a large part of the gold flowing to this country found its way into the Treasury in exchange for notes, thus saving cost of transportation. We may thus safely assume, in case of such an increase as we have supposed, that at least one-half of the increase in currency would be on a coin basis. Instead of $600,000,000 of notes with a coin reserve of $200,000,000, we should have, therefore, $800,000,000 of notes with a coin reserve of $300,000,000. If the demand for currency was still greater and went beyond the total capitalization of the banks, the proportionate deposit of gold, and consequent percentage of reserve, would be increased.

Now, with this state of things, let us suppose the demand for money to be reduced. The first notes to be retired would be those issued at the highest rates of interest. These, of course, being retired by the banks would draw no gold from the Treasury. It would only be those among the last retired that would cause the withdrawal of gold. This process would continue until all notes above the issue of $600,000,000 had been retired, and until the gold deposited for notes in response to a more profitable demand abroad had been withdrawn. The note issue would then be approximately at its normal condition of $600,000,000, with a coin reserve of $200,000,000. But let us suppose on account of business depression at home, even this amount exceeded the needs of the commercial world. Such excess of circulating medium would first make itself felt in a reduced rate of interest. In obedience to the well-known law that as between countries upon a gold basis gold always goes where it is needed and to that one paying the most for its use, and away from the country having more than the needs of business require, foreign exchange would rise and gold would be demanded for export. A portion of this would be taken from the Treasury, but as in case of a rise in interest, the same rule would apply and banks at the money centers would generally export their own gold, and retire their notes without drawing gold from the Treasury, thus saving themselves the interest paid on the note issues. Let us, however, suppose the extreme of depression in which the monetary needs were a circulation of only $400,000,000 involving a continued retirement of $200,000,000 of paper. If our hypothesis be correct, probably not more than one-half of this would cause the withdrawal of gold, and we should then have a coin reserve of $100,000,000, or twenty-five per cent. of the currency issue.

In ordinary times there would be no considerable demand for gold from the Treasury, and the coin reserve would be maintained within the limits we have named without extrinsic aid. From the time of the resumption of specie payments on January 1, 1879, to the passage of the Sherman Act, July 14, 1890, only about $28,000,000 of legal tenders had been presented for redemption in

gold. The currency would increase as the needs of business required and recede when not needed, and at the same time the coin reserve would naturally and automatically advance and recede with equal step. But even were a much larger amount of gold withdrawn, causing the reserve to sink below twenty per cent. of the circulation, what would be the result? Either one of two things would happen. The supply of gold would be replenished from the ordinary payments to the Treasury, or bonds would be sold for the purpose. When there is confidence in the maintenance of the gold reserve, payments to the Government are largely made in gold, and this would be deposited in exchange for notes, thus increasing the percentage of gold reserve. If there were still a deficit in the reserve, under the operation of law, bonds would be sold to increase it; and these bonds would always be sold at times when there was a redundancy of currency, and consequently at times of a low rate of interest, therefore commanding a high price, and would be bought at times of a high rate of interest and at a low price. It would be immaterial whether the bonds were sold for gold or bills, as, in the former case, the reserve would be increased, and in the latter, the amount of currency outstanding decreased, and as a point would be reached below which the currency could not go, the result would be the same.

Taking the Government Out of the Banking Business.

The most obvious criticism of any plan that involves a currency issued by the Government is that it does not take the Government "out of the banking business." But this is largely a contention about words. England, Germany and France, the only nations at all commensurate with ours in commercial importance, are each much more truly in "the banking business" as stockholders or managers of the principal banks of their respective countries, and this was the condition of the United States for the greater portion of the time until the veto of the charter of the United States Bank by Andrew Jackson in 1832. The real question is not an exchange of epithets about fiat money or the banking business, but it is what is the best national policy in regard to currency. Probably a great majority of the people of the country would accept the postulate that the currency issue should depend solely upon the business needs, and should be removed as far as possible from the machinations of politicians, and should be based upon an adequate reserve in gold. A smaller number, but probably still a considerable majority, would favor a governmental guarantee of some kind, as giving a security to every note not otherwise attainable, and would also look with extreme jealousy upon any proposition that looked towards giving the exclusive control of the currency issue to any system of banks, State or national. The above modifications of the "Baltimore Plan," it is believed, will satisfy all of these conditions. The currency issue would be as absolutely dependent upon business needs as if issued solely by the banks, and vastly more so than if issued by State banks, for the "wild-cat" expansion which would inevitably result from the renewal of State banks of issue would not indicate business needs. The interest paid for the currency by the banks would tend to keep the volume down, and at the same time permit a larger proportionate issue to the smaller banks in those localities where the profit upon circulation is an important consideration, and where the legitimate demands of business require it. The reserve would be built up and maintained by the profits of the issue itself,

and the surplus profits would prove a large and proper source of governmental revenue. The banks, instead of being regarded by many as leeches upon the Treasury, would be recognized as its supporters. The note holder would have all the security of a safety fund plus a governmental guarantee, and the Government would be paid, according to insurance methods, in proportion to the risk it assumed.

There are several corollaries that naturally flow from such a consideration of monetary reform which should be considered. There should be a Banking Department of the Treasury, with branches in different parts of the country, at which the accounts of banks within their respective districts should be kept, and from which notes to such banks should be issued, and to which they could be surrendered, thus expediting the issue and withdrawal of currency, and minimizing the cost of transportation. This department should be as distinct from the other departments of the Treasury as the Issue Department is from the Banking Department of the Bank of England. The reserve should not be confused with or counted as a part of the general balance in the Treasury. If it became necessary to sell bonds for the maintenance of the reserve, they should be of a special issue, and should be charged against the Banking Department, and should so appear in all Treasury statements. No deficit could well occur in this department, but should it, then it should be provided for in the same manner as a deficit in the other departments of State, and its profits should be covered into the general Treasury balance in the same manner. The law should also provide that gold could be deposited in the Banking Department by any other department of the Government, including the Treasury, in exchange for notes which could be paid out for ordinary expenses or used for remittances. This would not only be a convenience to the several departments, but would assist materially in the maintenance of the reserve.

Should a system of a nature similar to that outlined above be adopted, reliance might confidently be placed upon the patriotism and good faith of the American people to maintain it in its entirety. Whenever the issue between honesty and dishonesty has been made clear there has never been any doubt as to the result. It is only when issues are confused in the public mind that danger becomes imminent. With notes bearing the direct guarantee of the Government to pay in gold coin on demand, all the dictates of honesty would unite in maintaining a reserve sufficient to make such promises good. It would be a constant object lesson in national integrity, and the patriotic and conservative sentiment of the country would so crystallize about it that it would be removed from the danger of serious attack.

What to Do with the Silver in the Treasury.

In connection with this subject, although not dependent upon this system more than upon any other, some provision should be made for the surplus accumulation of silver now in the Treasury. The silver coinage is now, and can be for many years to come, nothing but a token coinage, the coins circulating at much more than their intrinsic value, and when enough of them have been coined for that purpose, the surplus of bullion should be disposed of and the proceeds used to build up a stronger gold reserve. The existence of this great surplus of silver is the greatest danger that threatens the country to-day. Compared to it the greenbacks are innocuous.

Another corollary or sub-corollary, in the consideration of monetary reform, is the use of gold and silver coin in the smaller transactions of everyday life. It was frequently asked during the canvass of 1896, "Who, except bankers, ever has a gold coin?" Gold was called "the money of the rich" in contradistinction to silver, "the poor man's money." The fact that practically no one, for the last generation, has ever had any gold in his possession has educated the popular mind to regard it as more or less of an abstraction so far as daily money needs are concerned, and gives to the demagogue his strongest argument. The public should be educated in the opposite direction. Even the inconvenience of carrying silver should be endured for the sake of the educating influence of carrying gold. If no note were issued of a less denomination than ten dollars, gold and silver would be the money of daily transactions. Deposits in the smaller banks throughout the country would be largely in coin. The comparative merits of the two metals, and the relative necessities of their use, would be in daily evidence. Had this course been pursued since the resumption of specie payment in 1879, we may confidently assume that we should never have had any troublesome silver question in the nineties.

CHARLES T. HAVILAND.

NEW YORK, Jan. 28.

THE REAL CAUSE OF THE TROUBLE.—Senator Peffer, of Kansas, who is shortly to retire from the public view as a statesman of the Populist school, has discovered the real trouble with our monetary system, which he thus sets forth in the February "Forum:"

> The trouble with our monetary system is that we are trying to do an impossible thing. You might as well undertake to haul a ton of hay on a bicycle as to do a hundred billion dollars' worth of business on a hundred million dollars' worth of gold coin. The only way a gold standard can be securely maintained is to use no more credit paper of any kind whatsoever than could be redeemed in gold if all were presented for payment at one time; and that, we all know, is utterly impracticable. As before stated, we have not gold enough to supply more than 1 per cent. of our daily needs for money. We use ninety-two dollars' worth of private credit, six dollars' worth of Government credit, and two dollars' worth of coin in every one hundred dollars' worth of business we transact with the National banks. The simple truth is, we have long outgrown the metallic-money system, and we shall have to invent something better. If men want to trade in gold, let them do so; that is in every way legitimate; for gold is a commodity, and a useful one in many ways. But, as the New York Board of Trade said in a resolution, December 9, 1896, "a sound credit system is a necessary element to the stability of confidence." Money, in whatever form, is but credit coined. The wise thing for us to do is to "establish a sound credit system"; and there is no credit among us equal to that of the Government of the United States. That, wisely used, is sufficient for all monetary purposes. In addition to its simplicity and naturalness, it would be a guaranty of loyalty next only to the ownership of their homes by the people.

The fact that the people of the country are "obliged" to use their own personal paper (checks, etc.,) in ninety-two per cent. of their business transactions, is conclusive evidence to the Kansas Senator that there is not money enough in the country. It has not occurred to Senator Peffer that even with an unlimited supply of his Government paper money, the people might continue to use checks and drafts because of their greater economy, safety and convenience. That so large a part of business transactions is now so effected is one of the strongest proofs of the efficiency of banking machinery in promoting the business of the country.

FOREIGN BANKING AND FINANCE.

Increase of Postal Savings Funds.

A good deal of attention is being attracted in Great Britain and France to the enormous increase in the funds deposited in the postal Savings banks, and the fact is not regarded with unmixed gratification. The laws of both countries permit the investment of these savings in the public securities, and several evils are foreseen from this policy. In the case of Great Britain, deposits in the post office Savings banks were £67,634,807 in 1890 and did not increase more than £5,000,000 per year until 1894, when they advanced from £80,597,641 the previous year to £89,266,066. The figures at the close of 1895 were £97,869,000, and on September 26, 1896, they are reported by the London "Bankers' Magazine" at £106,078,515. The danger most feared in Great Britain from this enormous diversion of popular savings into the channels of the Treasury is the effect upon local banking. Money which would otherwise go into the banks and furnish the means of carrying on local business is thus drained away to London, the banks are likely to find their deposits shrinking, and local enterprise will be crippled and finally destroyed.

The danger which has attracted the most attention in France has also begun to be felt in Great Britain. This is the fictitious value given to the public securities by the steady market created for them under the savings laws. The present policy in Great Britain, the "Bankers' Magazine" declares, simply forwards the money received to be invested in the public funds and by so doing has raised the price of the funds to a point which precludes investments being made at a price which would secure the Government from loss on their Savings banks transactions. In France the purchase of public funds has reached such an amount that Prof. Claudio Jannet pointed out as long ago as 1892 that the Government could not go on buying securities at the existing rate of capitalization and paying four per cent. interest on the savings deposits without becoming practically insolvent on the savings fund account. The only protection against insolvency which the Government has enjoyed thus far is based upon the assumption that deposits will steadily exceed withdrawals. If a long period of business depression or a shock to confidence should disappoint this expectation, the securities could not be marketed without a heavy loss. The bare entry of the postal Savings banks upon the market as sellers instead of buyers of the public funds would destroy the market which had raised their prices and every successive offer would carry the tumbling prices lower and lower. It has been suggested in England that the method of discouraging deposits be adopted which is already employed in France and Belgium—the reduction of the rate of interest when the deposit exceeds a fixed maximum.

British Banking Capital.

The usual careful summary of the changes in banking capital in Great Britain and Ireland during the past year is presented in the January number

of the London "Bankers' Magazine." The capital and reserve funds of the British and Irish banks have not increased very rapidly during the past three years. There is a net loss of £168,476 for 1896 as compared with 1895, and the combined losses of 1894 and 1896 nearly offset the increase in 1895. These figures do not indicate an unsatisfactory condition in banking, but simply that a larger volume of transactions is being handled with the same capital as four years ago. The total capital reported by banks which publish accounts is now £85,484,000 and the reserve funds are £39,440,300, making a total of £124,924,300. Of this amount the private and joint-stock banks of England possess £54,415,000 of capital and £27,238,000 in reserve funds; the Bank of England possesses £14,553,000 in capital and £3,000,000 in reserve funds; the Scotch banks show £9,302,000 in capital and £5,927,000 in reserve funds; the Irish banks, £7,109,000 in capital and £3,177,300 in reserve funds, and the small remainder belongs to the Isle of Man. Many of the reductions of capital during recent years have been due to the consolidation of old banks and the purchase of the shares of the smaller banks by the larger ones which have absorbed them.

The apparent increase in banking capital in the twenty-one years ending with 1896 is £23,374,723 and the increase in reserve funds is £17,561,260, making a total of £40,935,983. These figures are for the whole of the United Kingdom, but £23,467,619 of the increase in capital and £14,922,254 of the increase in reserve funds, making a total of £38,889,873, is on account of England and Wales. The net loss in capital in the other portions of the Kingdom is largely due to the failure of the City of Glasgow Bank in Scotland in 1878. The percentage of increase in capital and reserve funds for the twenty-one years is but little short of fifty per cent. These figures are not altogether accurate, however, since the increases are partly due to the publication of accounts by private banks which did not publish them in 1876. There was a marked increase in these publications in 1891 and 1892 which resulted in a nominal addition of £11,265,205 to the banking capital and reserve of the Kingdom. The figures of actual transactions by the banks have not yet been fully compiled. Attention is again being attracted in England to the narrow pivot of the banking reserve of the Bank of England, upon which turns the entire credit system of the country. This reserve, which ran as high as £40,996,678 for the week ending February 26, 1896, was reduced on November 4 to £25,470,787.

Increasing the Currency of India.

The Government of British India are proposing an increase of the limit of secured circulation by the the amount of 2,000,000 tens of rupees ($6,000,000). The present limit to which notes may be issued against securities is 60,000,000 rupees. The remainder of the circulation has to be covered by deposits of coin in the Indian Treasury. The combined circulation based upon securities and coin has increased from an average of 151,807,113 rupees in 1889 to 311,111,406 rupees in 1895, and the pressure for currency has become such that the Treasury has been obliged to restrict its operations in order to prevent a commercial crisis. It is proposed to transfer 20,000,000 rupees to the Treasury balances and to issue new securities of the three per cent. guaranteed loan, which will be deposited in the issue department of the Treasury. The power to issue bank notes was taken away from the Indian banks in 1861

and the present currency system is conducted by the Treasury and modeled upon that of the issue department of the Bank of England. A considerable proportion of the notes issued reached the fiscal department of the Treasury for taxes and their withdrawal from active circulation has been one of the occasions of recent monetary stringency.

THE BANKING POLICY OF URUGUAY.

The Government of Uruguay has issued a decree directing the withdrawal of the circulation of the London and River Plate Bank within six months. The fact was announced at the meeting of the shareholders on December 15, 1896. The reason for this action is the creation of the new National Bank, which is to be given the monopoly of the note issues of the country. The measure is not looked upon with favor by European investors, because of the fear that the control of the bank by the State will be abused for over-issue of paper. The chairman of the board of directors of the London and River Plate Bank, in discussing the subject at their annual meeting, declared that Uruguay had always had the advantage of a fixed and sound currency and claimed that the bank had been mainly instrumental in providing it. The London and River Plate Bank never took advantage of the decrees authorizing the suspension of specie payments, and its notes gradually circulated throughout the republic and are now received as readily as gold. The circulation of the Monte Video branch on September 30, 1896, amounted to £612,090. The amount is less than three per cent. of the liabilities of the bank, but it was intimated by Chairman Drabble that a cautious policy would be required on the part of the branch if the country was to embark upon the policy of issuing its own paper money.

THE CONTROL OF THE STOCK EXCHANGES.

The regulation of the stock exchange seems to be attracting attention in every country of Europe. The subject has been more or less discussed in the French Chambers, and the new German law on the subject went into effect on January 1. The German law is causing perturbation in the Berlin market, and it is anticipated that it will greatly increase the risk of stock operations. An advisory committee of bankers has been formed to study the operations of the law and devise means of guarding against its dangers. Leading brokerage and banking firms are refusing to put their names on the official register of stock brokers, preferring to conduct their business under private agreements even at the risk of having their contracts declared "gambling contracts," and legally void, upon the appeal of one of the parties to the courts.

The Parliament of Belgium has been discussing a law regarding gambling contracts which is more moderate and intelligent than many propositions which have been made on the subject, if it should be found capable of enforcement. This law declares that "future" sales are recognized as legitimate, when they are intended to be executed, but that bets or stock gambling are null and void, as contrary to public policy. Such a bet is defined as a bargain in which it is the intention of the parties to exclude actual delivery and which is limited to margins upon the rise or fall of quotations. Such a bet is not to be presumed, however, but must be proved by him who charges it. All promises, pledges, margins, and commissions based upon such gambling are declared null, but the nullity is not to affect the rights of a third

party acting in good faith. Penalties are provided for bets and gambling contracts. The Government of Roumania established an official regulation of Bourse in 1881, which simply drove the brokers to the making of private contracts. The official agents of exchange are not even able to fix their quotations except by consulting private dealers. The present ministry propose a modification of the law of 1881, which will abolish official monopoly, but will provide for public regulation of stock exchange contracts.

The commission appointed by the Hungarian Government to make an inquiry in the management of the stock market, began its work on December 21 at Buda-Pesth under the presidency of Baron Daniel, Minister of Commerce. President Daniel declared that the Government had firmly decided upon a policy of reform and expected the commission to acquit itself with zeal and freedom. Four questions were proposed for consideration. The first dealt with the relations between the Bourse and the Government under existing law, with a view to determining whether new legislation was necessary. The second question bears upon the management and organization of the Bourse. There seems to be a general desire for the admission to the Bourse of some representatives of the agricultural interest. The question of admission to the Bourse and the manner of ensuring the responsibility of its members was considered at length on the second day of the sitting. The commission adjourned until January without taking up the other questions.

Agricultural Credit in India.

The special report of the eminent English economist, Prof. F. A. Nicholson, who was charged by the Government with studying the subject of introducing land and agricultural banks into the Presidency of Madras, has recently been published at the capital of that province. The report reviews the experiments in agricultural credit already made in India and compares them with those made in other countries of Europe, for the purpose of historical and economic deductions. Mr. Nicholson recommends the creation of local societies and union among the laborers for the mutual extension of credit in preference to large central land or mortgage banks or banks created by the Government. He thinks that defects in the existing system might be remedied by government regulation, fixing the maximum of loans, the character of the guarantees, rotation in the boards of directors, and careful inspection of accounts on behalf of shareholders. He proposes an Act of 121 articles to supplement the Indian Companies Act of 1882.

Local lenders to the agricultural population of India have been accustomed to the exaction of interest ranging from 9 to 18 per cent. per year, 12 per cent. being considered moderate and reasonable. The Hindoo peasants in many localities have endeavored to protect themselves against such exaction by the organization of the *Chit* system and the *Nidhis*, or associations of mutual credit. The *Chit* system involves a combination of say fifty peasants who engage to pay into a common fund one rupee per week for fifty consecutive weeks, constituting thus a weekly pool of fifty rupees ($16). The determination of the order in which the weekly pools are distributed is made by lot, and the effect of this arrangement is to stimulate membership in these pools in the hope of drawing an early lot and obtaining the use of the money throughout the year. The net result is simply to stimulate the saving of fifty rupees per year for some special purpose, aside from the chances of obtaining

the early use of it. It is stated that the members seldom fail to complete their fifty payments, in spite of the temptation to neglect them to which those who drew an early lot might be exposed. The *Nidhis*, of which the first was founded in 1850 by the native employees of a court of justice at Madras, require monthly payments of one rupee per month for 84 months. Each subscriber is supposed to receive at the end of the period 102½ rupees, representing the capital and the interest earned on building loans. A good many difficulties have been encountered in the administration of these societies, including bad loans and thefts, and it is with a view to minimizing such evils that the amendments of the Act of 1882 are proposed.

Banking and Financial Notes.

—The report of the commission which has been considering the proposed extension of the charter of the Bank of France has been completed and presented to the Chambers. The commission has suggested two changes which have become a subject of negotiation between the bank and the Ministry of Finance. One of these changes gives the Government authority to terminate the charter upon notice of something over a year, and the other proposes that the amount paid to the Government shall never fall below a fixed minimum. There appears to be little doubt that the extension of the charter will be voted by the Chambers without great opposition.

—The Italian Senate has recently been discussing the projected law regarding the banks which has already passed the lower chamber. The security of the circulation is being sought by the English method of separating the issue department from the banking department. The Bank of Italy, the largest of the three existing banks of issue, will guarantee its notes to the amount of 300,000,000 lire ($60,000,000) in gold, amounting to fifty per cent. of the authorized issue. The remainder of the circulation will be covered by national securities.

—Argentine finances have not yet been extricated from the evil effects of paper inflation and expanded credit. An effort has been making to unify the public debt, but there is much distrust of Dr. Romero, the National Finance Minister, and Senator Pellegrini made a luminous exposition of his errors in a parliamentary speech towards the close of November. The result was the appointment of a sub-committee to frame an entirely different budget from that proposed by Dr. Romero. The sub-committee succeeded in figuring out a surplus only by making excessive estimates of increased receipts from existing sources of revenue, and by including in the receipts $15,000,000 from the liquidation of the National Bank, which it is not thought can be recovered.

—The new issues of capital offered for subscription in the United Kingdom during 1896 were larger than for any year since 1889. The offerings of this sort were £49,141,000 in 1893, £91,835,000 in 1894, £104,690,000 in 1895 and £152,807,000 in 1896. The issues for 1896 included £20,989,000 in foreign government loans, £18,162,200 in breweries and distilleries, £17,187,100 in cycles and appliances, £7,735,000 in home railways, £5,448,000 in Indian and Colonial railways, £4,633,300 in foreign railways, £8,851,900 in manufacturing companies, £9,284,900 in stores and trading companies, and £15,268,100 in mining companies.

—The new Bourse law in Germany subjected the Imperial Bank to a severe strain during the closing weeks of 1896 and the opening of the new year.

The bank was compelled to increase its note circulation during the last week of 1896 by 46,000,000 marks ($11,000,000), and suffered a net loss during the year in its gold stock of 11,000,000 marks, in spite of the importation of 100,000,000 marks. The Austro-Hungarian Bank extended assistance to the Berlin market to the extent of 100,000,000 ($48,000,000) in gold and gold bills. The bank was subjected to some criticism for this action, because it is usual for Vienna to receive assistance from Berlin at this time. The defenders of the bank declared that as gold resumption had not been legally established in Austria-Hungary, and the embarrassment of the Berlin market was likely to have an injurious effect upon Vienna, the gold could not be better utilized than in the way in which it was actually employed. The stringency in Berlin has since subsided, and the bank rate has been reduced to four per cent.

—The plan for a governmental bank authorized by the Swiss Chambers has been referred to a popular vote, under the Swiss system of the referendum. The vote will take place on February 28. Several of the commercial bodies have expressed an opinion hostile to the new institution, but the state socialists and allied parties are giving it a cordial support.

—A provision of the new charter of the Bank of Austria-Hungary authorizes the issue of notes for ten crowns ($2). They will replace Government notes of similar denominations which are being gradually withdrawn. There has been some complaint in Austria of the scarcity of small notes, which have come to be preferred by long usage to coin, as in the United States.

C. A. C.

WILL GOLD GO ABROAD.—Discussing the probability of gold shipments from the United States in the near future "The Statist" (London) says:

It is often said that as the value of the exports for the whole year 1896 exceeded the value of the imports by sixty-five millions sterling, other countries are indebted to the United States, instead of the latter being indebted to the rest of the world, and therefore that there will be no occasion to ship gold. The answer is, that if gold was never shipped except in payment of debt, the gold demand would be very much smaller than it is, and the gold movements would be trifling. Gold will be shipped from the United States, firstly, because it will be profitable to send it; and, secondly, because the circulation is redundant. It seems to be generally agreed that Mr. McKinley will call an extra session of Congress for the purpose of introducing a tariff bill, and that in consequence the reform of the currency will be postponed till the regular session next December. If that happens the currency will remain redundant and gold will be shipped, provided, of course, something entirely unforeseen does not occur. But the shipments we are anticipating will not be the result of distrust, and therefore need not occasion alarm. They will be the natural outcome of the existing condition of affairs.

The publication quoted believes (but not upon just grounds, we think) that the New York bankers are taking unusual measures to prevent gold exports. On this point it comments as follows:

The wiser course, we venture to think, would be to continue the educating process which was so actively and successfully carried on last year. They have an object-lesson which will help them do so, if they put it plainly and boldly before the public. From the figures given above it is as clear as the sun at noonday that money is redundant and that enterprise is checked; and all this is the result of the silverite campaign last year, as well as of the unwise silver experiment that ended in 1893.

What more effective argument could they require? Fiat money has been created in great excess. It caused alarm, brought on two crises, and even now, when the good sense of the people has declared against further unwise experiments, it is depressing business and preventing new enterprises. The superabundance of money does not raise prices, as the inflationists asserted it would; on the contrary, it has injured every interest in the country, and more especially it has injured the working classes. That, at all events, is the line of argument we should adopt if we were resident in the United States, and had the duty imposed upon us of helping to spread sound opinions upon economic subjects.

THE BANK OF ENGLAND.

ITS HISTORY, CONSTITUTION AND PRESENT MANAGEMENT.

(Concluded from the January number of the MAGAZINE, page 53.)

THE BANK ACT OF 1844.

The following are the more important points to note in the Bank Act of 1844. A mere enumeration of them must suffice here as they will form the groundwork of our examination of the present constitution and management of the Bank.

(1) It was provided by the Act that for the future the "Issue Department" should be kept absolutely distinct from that of the "Banking Department."

(2) It was further enacted that weekly accounts showing the position of each department should be published.

(3) The issue of notes was limited to such a sum as the Bank may hold in bullion (of which a fifth part may be silver) in addition to a sum of £14,000,000 (increased since that date to £16,000,000) issued on securities, whereof the debt due by the public to the Bank formed part. Provision was made, however, that in the event of any issuing bank in the provinces relinquishing its right of issue, the Bank of England might increase its own issue to the extent of two-thirds of the lapsed issues.

(4) By the Act of 1844 it was also provided that the Bank was to be compelled to purchase any amount of gold offered to it at a certain fixed rate; or in other words to receive on deposit any quantity of gold at a certain rate in exchange for Bank notes.

THE BANK OF ENGLAND AT THE PRESENT DAY.

An Exposition of its Balance-Sheet.

From Clause 2 in the Bank Act of 1844, it will be seen that it was provided that for the future the Bank of England should issue a weekly statement showing its position, and by way of gaining a clear insight into the present constitution and working of the Bank we cannot, perhaps, do better than take a specimen balance-sheet and deal with each item appearing thereon.

The first thing we notice about this return is that the Bank is separated into two departments—the Issue Department and the Banking Department, the figures in each being kept entirely separate.

Before examining in detail the actual figures of our specimen return, it will be necessary that we clearly understand the difference between these two departments. We have seen that this division into the two offices dates from the Bank Act of 1844.

Prior to that year, in the crash that followed on a speculation in corn and stocks, many of the provincial bankers succumbed, and the holders of their notes, finding themselves in possession of worthless paper, raised a general

COPY.

BANK OF ENGLAND.

AN ACCOUNT pursuant to the Act 7 and 8 VICT. cap. 32, for the Week ending on Wednesday, the 2nd day of December, 1896.

ISSUE DEPARTMENT.

	£		£
Notes Issued.....	49 858 615	Government Debt ..	11 015 100
		Other Securities....	5 784 900
		Gold Coin & Bullion.	33 058 615
		Silver Bullion	—
	£ 49 858 615		£ 49 858 615

Dated the 3rd day of December, 1896.

H. G. BOWEN, *Chief Cashier.*

BANKING DEPARTMENT.

	£		£
Proprietors' Capital.	14 553 000	Gov^{t} Securities	13 752 969
Rest	3 147 260	Other Securities....	26 451 442
Public Deposits— (including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)	6 133 585	Notes	23 702 380
		Gold & Silver Coin .	2 522 893
Other Deposits	42 448 987		
7 Day & other Bills	146 852		
	£ 66 429 684		£ 66 429 684

Dated the 3rd day of December, 1896.

H. G. BOWEN, *Chief Cashier.*

cry of "over issue," demanding Government interference. Their idea of this interference was that the actual note issue should be kept down to a lower level, but the wiser of the community recognized that the evil might not necessarily lie in the mere extent of the note issue so much as in the lack of adequate protection to the note holders *in the form of reserves of gold held against notes.* The argument of these individuals tersely put was this: Only let it be insured that the notes shall be promptly paid upon presentation, and the *extent* of the note circulation can be trusted to take care of itself. This was the true businesslike view of the matter, and indeed it may be said to have formed the basis for Mr. Peel's suggestion that the division should be made between the two departments. These offices he directed should be kept wholly distinct for the future.

The Issue Department, which was of course the new one, was to take over the whole of the Bank notes then in circulation, and as assets against this issue of notes, securities to the amount of £14,000,000 were to be transferred from the Banking to the Issue Department. Thus at the date of the establishment of the Issue Department the total number of notes permitted to be issued against securities was £14,000,000. For the future it was enacted that any additional notes issued must be represented by actual bullion held, of which one-fifth part only might be in silver.

The only exception or saving clause to this rule was in the case of lapsed note issues of provincial banks, which the Bank was allowed to absorb to the extent of two-thirds of the whole, which might then be issued against securities held. Inasmuch as the sum of £11,015,100 under the head of these securities is represented by the total advance made from the Bank to the British Government, the note issue up to that point may practically be considered as a State issue guaranteed by the Government. For a further sum of £5,784,900 (as shown in the above return) the Issue Department is responsible and holds convertible securities against it. For every additional note issued beyond this total of £16,800,000, standard gold must be deposited in the vaults. As a matter of fact no silver is stored in the Issue Department, as it cannot be legally tendered for a £5 note.

From the foregoing remarks it will be recognized that the work of the Issue Department is a purely mechanical one. It can not be said, perhaps, that neither profit nor loss is shown on the working of the department, but on the other hand the profit must certainly not be described as ordinary banking profit. The Issue Department has practically no incentive to acquire gold or to increase its issue. It is in fact not a free agent, the law making it the servant of the public, compelling it to take at a fixed price all gold which may be offered.

By the legislation of 1844 it is enacted that all persons shall be entitled to demand from the Issue Department Bank notes in exchange for gold bullion at the rate of £3 17s. 9d. per ounce of standard gold, the person tendering to be at the expense of melting and assaying it. It is therefore the Bank's duty to give gold for notes and notes for gold whenever required.

The coinage of gold at the Mint being quite gratuitous in England, it may be wondered why the holder of gold should not go direct to the Mint and receive what is known as the Mint price of gold, namely, £3 17s. 10½d. per ounce. As a matter of fact, however, all imports of gold are lodged in the Bank, as the holder by going to the Mint would have to wait perhaps some

considerable time before he received his gold in the form of sovereigns, thus entailing a considerable loss of interest, to say nothing of the inconvenience. Therefore, practically all the gold received here and not bought in the open market goes direct to the Bank, where immediate payment in notes is given.

With regard to *sales* of gold the Bank is left free by the law to make its own bargain, and when the demand for the metal is sufficiently strong to absorb all available supplies from other quarters, the Bank usually raises its selling price. Thus it will be seen that both in the matter of buying and selling the gold an apparent profit of something like one and-a-half pence per ounce is secured, though, as we have said, it can not be considered as a banking profit, neither is it necessarily *all* profit, the Bank having to be compensated for trouble and expense in sending the gold to the Mint in case of its conversion into coin. No more bars are minted than is found absolutely necessary, the Bank keeping them as far as possible in the form in which they are received. As an instance of the profits sometimes arising out of this department it may be stated that the recent shipment from the Bank to New York of many millions of eagles is generally believed to have been a profitable transaction, the coin being sold at a high price owing to the stress of the demand; while they were probably bought by the Bank at a cheap rate when gold was streaming from America.

Mr. Clare, in his work on the "Money Market," says:

> "To the Issue Department the ebb and flow of gold from and into the country is a matter of indifference. If gold comes in, its printing presses strike off so many more notes; if gold goes out, notes return and are cancelled. In either case its account balances as before, and its position remains the same.
>
> So utterly improbable is the contingency of a 'run' on this department as to be hardly worthy of a serious consideration. It might, no doubt, occur in the event of foreign invasion, and as a matter of fact did once happen in the last century, when the news reached London that the Highlanders, under the Pretender, had advanced as far as Derby. But, apart from this exceptional instance, public confidence in the note has never been shaken; and in time of panic even, when every other 'promise to pay' is discredited, the circulation, instead of falling off, invariably increases."

It need, perhaps, scarcely be said that by no means all the buying and selling of gold which takes place in this country is effected through the agency of the Bank. From the difference existing between the Mint price and the Bank price for bar gold it will be readily seen that there is a sufficient margin to leave considerable scope for buyers and sellers of gold to effect bargains between themselves by which each party shall be the gainer through not having to resort to the Bank.

Turning to the Banking Department we find that speaking generally the construction of this department does not fundamentally differ from that of other banking establishments except perhaps in three important respects:

(1) It has the privilege of keeping the balance of the Government.

(2) It is the banker of all the other banks.

(3) No interest is allowed on the moneys deposited.

Having briefly outlined the general nature of the two departments, we shall best arrive at a clear understanding of the nature of the Bank's operations by saying a few words about each of the items contained in the balance-sheet given on a previous page.

There is little which calls for comment in the figures of the Issue Department. It will be seen that the original note issue of £14,000,000 has grown

to the enormous total of £49,858,615, but in no way of course has the original Act restricting the issue been broken. As compared with the original amount of £14,000,000, against which notes were at first allowed to be issued, we now find the total to be £16,800,000. The difference of £2,800,000 is entirely accounted for by the fact that it represents two-thirds of the note issues of provincial banks which have lapsed (from various causes).

The remaining £33,058,615 is represented, as ordained by the Act, by actual gold coin and bullion held in the vaults. So much for the figures of the Issue Department.

Turning to the items of the Banking Department the first thing which strikes us is the enormous growth which has taken place in the Proprietors' capital. Commencing as we have seen in the year 1694 with a capital of £1,200,000, the whole of which was advanced to Government, the figures have expanded during the two centuries to the present total of £14,553,000, of which £11,015,100 now figures as a permanent loan to the Government. In addition to this enormous capital, which exceeds not only that of any other bank in the world but even the united capital of the State banks of France and Germany, a reserve of more than £3,000,000 has been accumulated, and a position of strength is thus shown which in itself commands confidence from the depositors. As a matter of comparison it may be stated that while the capital and reserve of one of our largest joint-stock banks shows a proportion to its deposits of about twenty per cent., the proportion in the case of the Bank of England is frequently as high as forty per cent. and has on occasions been over fifty per cent.

In one respect, however, the very size of the Bank's capital may be considered as a drawback. In these days, when competition enters into banking as well as other occupations, it will be seen that in the matter of dividends to be paid the directors of the Bank of England are handicapped as compared with their competitors whose capital is usually much smaller, while the proportion of deposits is actually greater, this latter circumstance being of course due to the fact that the joint-stock banks allow interest on their deposits.

Taking the items of the Banking Department in the order shown in the balance-sheet, we have now spoken of the first two, namely, the Proprietors' capital and the "Rest," or Reserve. We now come to the points in which, as we have already indicated, the Bank differs in a sense from other banking establishments. Under the head of Public Deposits we find in our specimen balance-sheet a total of £6,133,585. This account kept at the Bank by the British Government is the largest single account possessed by any one bank, and the average balance kept by the Government is on a par with its size, averaging as it is believed to do from three to four millions. The figures, as may be supposed, fluctuate according to the period of the year. The largest total is usually reached at the March quarter when the revenue is coming in fast. At the beginning of the year payment of the dividend on the funds causes a sharp drop, but from then to the end of March the receipts usually exceed the outgoing by many millions.

Under the head of other deposits are grouped the whole of the Bank's liabilities to the general public including the entire balances kept by the respective banks. Prior to the year 1877 it was the custom to show the bankers' balances as distinct from those of the general public. Since that time, unfortunately, the practice has been discontinued, and no means are now fur-

nished of definitely ascertaining the proportion which bankers' balances bear to the total of other deposits. In connection with the present heavy total of other deposits it may be mentioned that about ten millions is, at the date of our specimen balance-sheet, an exceptional sum lying at the Bank to the credit of Japan—being in fact a part of the indemnity funds—and it is no mean compliment to the Bank that against a portion of this amount notes are actually issued in Japan with the same confidence as if the money were in their own country. The small item of £147,000, under the head of seven day and other bills, bears its explanation on the surface.

Turning to the assets side of the balance-sheet we find the whole of the Bank's investments represented by £13,752,969 in Government securities and £26,451,442 in "other securities." The first amount includes investments in securities on which the interest is guaranteed by the British Government. This item fluctuates more widely than might be supposed, one reason being that prior to the disbursement of the quarterly dividends on the funds the Government frequently borrows large amounts from the Bank on what are known as "Deficiency Bills," and these go to temporarily swell Government securities. Under the head of "Other Securities" are embraced all the Bank's investments in stocks other than British funds. In "Other Securities" would doubtless be included all investments in Indian, colonial and corporation stocks, railway debentures, etc., together with sums due by bill brokers, and all other assets, including probably the value of the Bank's premises in London and elsewhere. Like Government securities this amount also greatly fluctuates, for when the outside market, being short of funds, applies to the Bank for advances, the stock or bills deposited for the amount borrowed appears under "Other Securities." The total amount of notes and coin—which in the specimen balance-sheet amounts to £26,225,273—constitutes what is known as the Reserve. Of this most important item in the whole return we shall speak more fully when showing the intimate relation existing between the Bank's operations and the course of the London money market.

The Relation of the Bank to the Money Market.

Having briefly glanced at the general meaning of the various items in the weekly return of the Bank, it now remains for us to note the relation which exists between the Bank's operations and the London money market. We shall then be the better able to judge of the effect produced on the market by the fluctuations in the various items of the weekly balance-sheet.

It is frequently stated now-a-days that the Bank of England no longer possesses that control over the market which it exerted during the first century and a half of its existence. To a certain extent of course this is true; but only to a certain extent. With the introduction of joint-stock banking into the Metropolis some sixty years ago the power of the Bank may be said to have been on the wane so far as the effect of its *normal* official rate of discount is concerned; in other words, with the introduction of many rival establishments, all possessing smaller capital than the Bank, the discount business has become more and more distributed among the younger establishments who in this respect have been able to successfully compete with the Bank of England.

But if in the matter just indicated the Bank of England's normal discount rate is no longer the powerful factor which it once was, it may be fairly stated that in all other essential respects the Bank not only continues to hold the paramount position in the money market, but when occasion serves is still able to control the market in a thoroughly practical manner.

The main explanation of this important position held by the Bank is to be found in the fact that it is at once the custodian not only of all the bankers' balance-sheets but of *the entire cash reserve of the United Kingdom.*

We have seen that under the head of "Other Deposits" are included all the surplus balances of the private and joint-stock banks. The country banker uses to the utmost his cash balances and then forwards the unused surplus to his London agent, who failing to find adequate employment for it sends it to swell his balance at the Bank. On these bankers' balances no interest is of course allowed, and the remarkable position is thus presented of the Bank obtaining the control of many millions of money belonging to its rival institutions, on which not a farthing of interest is paid. Why this absolute trust in the Bank of England? it may be asked. Why should not many of the larger outside banks resolve to keep their unused stores of bullion in their own vaults? The answer to this question is partly suggested in the brief history we have been able to furnish of the Bank's career. Not only have the two centuries of its existence served to establish an absolute trust in the wisdom and integrity of its management, but all past experience has shown that although not actually a State bank it has practically all the wealth and credit of the British Government behind it, and that whatever else may happen in times of financial storm *the Bank of England is likely to be safeguarded.*

One glance at the panic of 1866 (the year of the Overend & Gurney failure) will show in what form this Government assistance may be rendered. The panic of 1866 was attended by the usual fierce runs on the private and joint-stock banks who in turn had to draw so heavily on their balances at the Bank, and had moreover to borrow in addition so heavily from that institution, that on May 11 the available stock of cash held by the Bank in London and all the branches was down to £3,000,000 with every prospect of the whole amount disappearing by the following day. The Government was forthwith applied to for special power *to issue extra supplies of notes* against securities, and on the evening of the same day the following letter, signed by Earl Russell and Mr. Gladstone was received:

> "If the directors of the Bank of England, proceeding upon the prudent rules of action by which their administration is usually governed, shall find that in order to meet the wants of legitimate commerce it be requisite to extend their discounts and advances upon approved securities, so as to require issue of notes beyond the limit fixed by law, Her Majesty's Government recommend that this necessity should be met immediately upon its occurrence and in that event they will not fail to make application for its sanction."

The mere announcement of this extended power of the Bank sufficed to allay the panic, and within a short period affairs had so far returned to their normal condition that the extra note issue was cancelled.

An actual example of this extension of the note-issuing power of the Bank will perhaps serve to make the matter perfectly clear. During the crisis of 1857 the reserve had fallen to so low a point that the directors of the Bank on the night of November 11 applied to the Government for aid. Consent being obtained for the necessary extension of the whole issue (which then

stood at £14,475,000), the directors then transferred two millions of Government securities from the Bank to the Issue Department and then issued notes against the same. Thus, on the following week the Bank Return read as follows:

Issue Department.

Notes issued	£22,554,595	Government debt	£11,015,100
N.B.—Of which two millions are issued under the authority of the letter from the First Lord of the Treasury and the Chancellor of the Exchequer.		Other securities	5,459,900
		Gold coin and bullion	6,079,595
		Silver bullion	.....
	£22,554,595		£22,554,595

Banking Department.

Proprietors' capital	£14,553,000	Government securities	£6,407,134
Rest	3,433,500	Other securities	30,299,270
Public deposits	5,483,881	Notes	1,148,185
Other deposits	13,959,165	Gold and silver coin	404,501
Seven day and other bills	829,544		
	£38,259,090		£38,259,090

By the week following this return confidence had been considerably restored, the reserve rose to two and a half millions and the directors of the Bank were soon in a position to cancel the temporary loan.

Thus it will be seen that bankers have excellent reasons for keeping their surplus balances with the Bank of England instead of in their own vaults. In the first place, by doing so and showing the same in their published balance-sheets, they command more confidence from the public than they would do otherwise. In the second place they have a central fund on which to draw at the close of each day when by means of a single check the settlement of balances between banker and banker is effected, and in the third and last place by placing their unused money with the Bank free of interest they trust in times of financial stress to secure from the directors of the Bank that necessary assistance in the way of loans and discounts without which a collapse would then be inevitable. *In all periods of crises the directors never fail to render the market this assistance*, though of course, as a matter of prudence, the rate of interest is raised in proportion to the demand.

It would be impossible to over-estimate the importance of the Bank's Reserve, for as we have said it is the ultimate cash reserve of the entire country. This is so well explained in the work of Mr. George Clare, to which we have already alluded, that we cannot do better than quote the passage here:

"The explanation turns on the law of legal tender. According to law a tender of payment (of any sum above forty shillings) is not valid unless made in the current gold coin of the realm, or (what is the same thing) in Bank of England notes. Every creditor, therefore, has the right to insist on payment in gold.

In all ordinary circumstances trade payments are effected by check, and this dormant right is all but lost sight of: nevertheless, all our buying and selling, all our borrowing and lending, is based on the principle that debts are payable in gold.

Now, the class of debts that exercises the greatest influence over the state of credit is that owing by bankers to their customers, and these alone (to say nothing of the indebtedness of merchants one to another) exceed by hundreds of millions sterling the whole stock of gold that the country possesses. The sum due on December 31, 1889, by the banks of the United Kingdom, under the head of Deposit and Current Accounts, was estimated by the 'Economist,' on the basis of the balance-sheets published by the joint-stock establishments, at, in round numbers, £800,000,000; while our whole stock of legal tender does not probably exceed £126,000,000, viz.: Gold currency, estimated (at the outside) at £110,000,000; Bank of England notes issued against securities, £16,000,000; total, £126,000,000; and of these £126,000,000 it is quite likely that half to two-thirds are in actual circulation among the public, leaving a balance of, say, £50,000,000 or £63,000,000 available for banking purposes.

Of this fund the lion's share is held by the Bank of England, which keeps an average of £13,000,000 in its coffers; and the remainder is scattered about among the tills of the hundreds of banks throughout the United Kingdom. For every pound deposited with the Bank of England, nine shillings are kept in cash and eleven shilings are invested in securities; but if the above figures are approximately correct, it follows that, for every pound deposited with other banks, less than two shillings is the average set aside to meet withdrawals.

This can not be called a reserve. The meaning of "reserve" is a fund set apart for use at an emergency (an extraordinary fund for extraordinary occasions), but the cash held by bankers is their till money, the stock-in-trade necessary for their every-day transactions. What they regard as a reserve is something very different. The reserve, properly so-called, of a provincial banker consists of readily convertible securities, such as Consols, etc., of money 'at call' with the London brokers, of a credit-balance in the books of the London agent, and in some cases of a balance at the Bank of England as well. The same is true of the London banker. His actual reserve consists, not of a store of cash locked up in his strong-room, but of money at call, a balance at the Bank, and a bundle of securities.

So long as the central fund holds out, these reserves are of course just as good as cash, and are more easily managed than an accumulation of notes and coin; but the point is that they are not actually cash, and that though the banks have borrowed unheard-of sums, which they promise to repay in gold or notes on demand, they hold no gold or notes wherewith to pay, but depend on obtaining their supply, when wanted, from someone else.

All of them without exception rely, directly or indirectly, on the Bank, and not one is able to meet an unusual demand for cash out of its own resources. Whenever or wherever such a demand may spring up it must fall on the reserve. If trade revives in the North, and more gold is wanted to pay wages, the London agent must supply it; if a banker in the South has reason to fear a "run," and wants more notes to strengthen his till, the London agent must supply them. But the stock of cash kept by the London agent is adapted only to his known requirements, and is not meant to meet unforeseen demands; consequently he draws a check, and sends across to the Bank for the money.

In America, if a banker accepts deposits, the national banking law insists that for every $4 lodged in his hands he shall set aside $1 in coin, or its equivalent; but in this country the law takes no cognizance of a banker's duty in that respect, and leaves him at liberty to keep as much, or as little, legal tender as he pleases. It forbids him to put forth a single note beyond the amount assigned to him in 1844, but is silent on the subject of deposits; and while the State-controlled liability to the public of all the banks in the United Kingdom (excluding the Bank of England), amounts on their authorized issue to £14,000,000, their uncontrolled liability on current and deposit accounts amounts to £600,000,000.

Practically, the whole of this vast sum is payable in gold on demand, but on the assumption that only a very small proportion will be asked for at any one time, bankers have locked up over 900 per cent. of it in bills of exchange, securities, loans, etc., and only the Bank of England pretends to keep up a large store of legal-tender money.

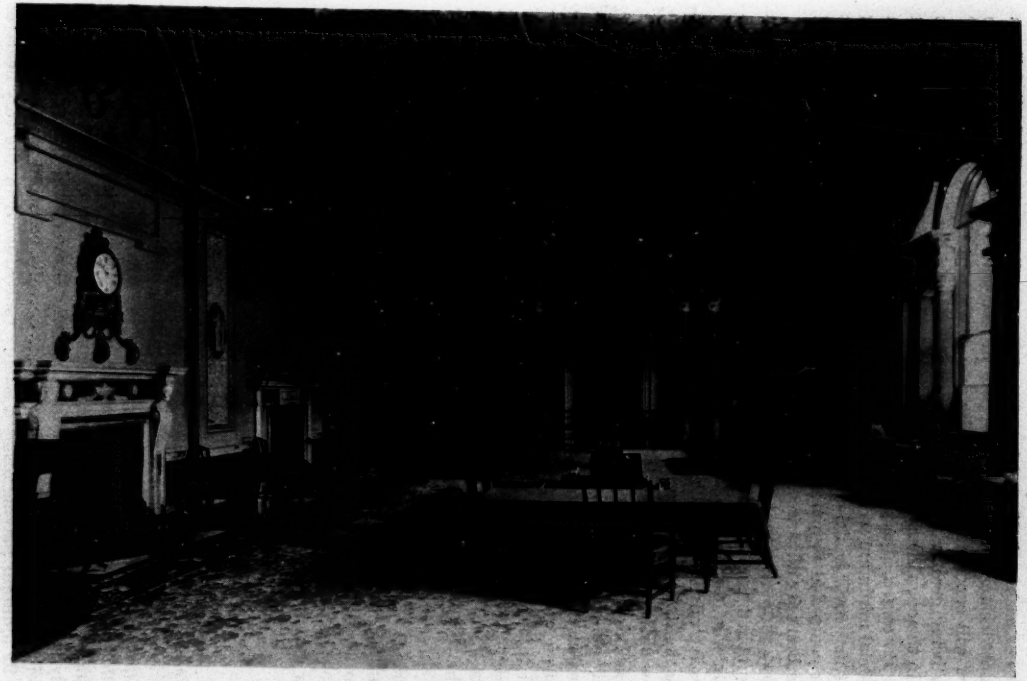
The millions of notes and gold lying in its vaults are therefore the ultimate and sole cash reserve of the whole country, and, if the Bank lost that reserve, neither the banks which depend upon it, nor the customers which depend on the banks, would be able to keep their engagements.

On it, in short, reposes the entire fabric of English credit."

How the Undue Exportation of Gold is Checked.

Enough has been said to make clear the close relation existing between the constitution of the Bank and the open market, but a word is required to show the means employed by the Bank from time to time to obtain control of the market.

Usually the occasion arises from inconvenient exports of gold from this country. As we have seen, the Bank being the custodian of so important a thing as the cash reserve of the country, is virtually compelled to see to it that the amount of gold held bears a high proportion to its liabilities. When, therefore, the exports of gold have reached a point which threaten the maintenance of this proportionate reserve, measures must be taken to arrest the outflow. This is usually effected by advances in the official rate of discount by which it is hoped the outside market rates will also be raised to such a point that gold will be attracted to London from other countries for the sake of the higher interest ruling.



COURT-ROOM OF THE BANK OF ENGLAND.

From a recent photograph; reproduced by the courtesy of the "Bankers' Magazine," London.

A moment's consideration will show that whether the outside market promptly responds to such action of the Bank, must entirely depend upon the extent to which it is independent of the Bank. That is to say, if "outside" supplies of cash as indicated in "Other Deposits" are very high, it follows that notwithstanding successive rises in the official rate of discount, the market will continue to pursue its own course and the available supply of money being greater than the volume of bills seeking investment, discount rates in the open market will remain low notwithstanding the rise in Bank rate. *Per contra*, if market supplies of cash are poor the response to a rise in the official minimum will be immediate, for the simple reason that, knowing that it may itself be driven at any moment to the Bank for loans, the market will be compelled to quote a higher rate than that which it will be charged by the Bank for advances.

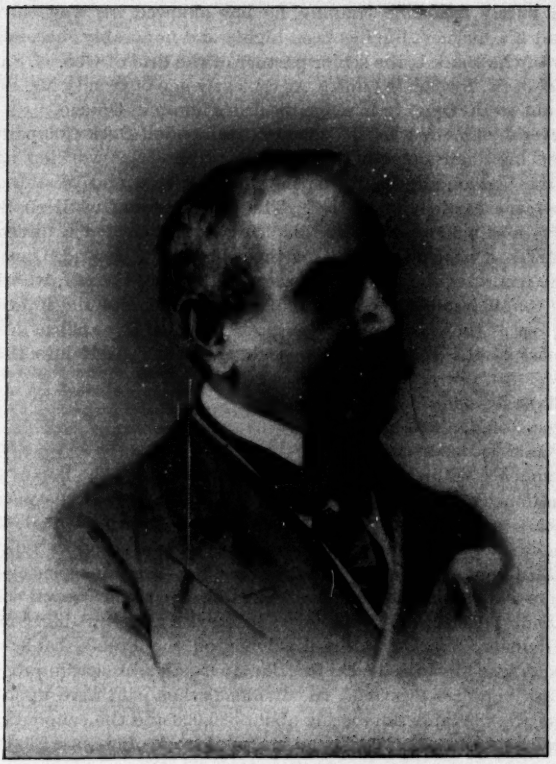
Now, supposing that the first condition prevails, viz., a condition of an over-supplied money market accompanied by an inconvenient foreign drain of gold, what action is to be taken by the Bank to get control of the market? Successive advances in the official rate, we will imagine, have failed to cause the market to respond, because of the plethora of money, and gold continues to flow out of the country. There is only one course open: the Bank must itself go into the market and borrow some of this surplus money. This is usually done by the Bank selling through its official broker Consols for cash and buying them back for the account. With the payment received for the Consols sold, the Bank absorbs the plethora, and market rates at once respond to the operation. The amount ultimately borrowed from the Bank probably compensates for any loss occasioned in the buying and selling of Consols, while more important still, the rise in market rates of discount has the desired effect of arresting the exports of gold and in time attracting fresh supplies.

Such is a brief glance at some of the more important ways in which the operations of the Bank are linked not only with the London money market, but as a necessary consequence with the money markets of the world. It can scarcely be said then that the Bank remains otherwise than an all-powerful factor in the money markets of the world.

Within the Walls of the Bank.

If the exterior of the Bank of England, as shown in our illustration in the January number of the MAGAZINE, be somewhat gloomy and forbidding, there is much that is attractive and interesting within its walls.

Entering within the massive gateway in Threadneedle street, shown in the illustration, we find ourselves in a paved yard around which are doors leading to various wings of the establishment, which covers an entire area of nearly four acres. On the left is an archway through which may be seen a garden which in the springtime presents a really beautiful appearance and with its fountain playing forms a unique spot situated in the very heart of "streaming London's central roar." Overlooking the garden on one side is the Private Drawing Office, while on the opposite side among other rooms is the celebrated Court-Room where the courts of the Bank are held. By the courtesy of the "Bankers' Magazine" (London) we are able to reproduce here an excellent photograph recently taken showing a portion of this room.



ALBERT GEORGE SANDEMAN,
Governor of the Bank of England.

Near to the Court-Room are situated the private rooms of the Governor and Deputy Governor.

The present Governor, Mr. Albert George Sandeman—whose portrait will be found above—was born in London in the year 1833, and had passed through but three years of his teens when he left school and at once entered on the business of his life. This early entrance into the office or warehouse was truly characteristic of those days, but it is interesting to note that the new Governor is not sure of the advisability of pitchforking a boy into city life at an unduly early age where it can be avoided. In the main he is strongly of the opinion that university education affords a splendid training for the counting-house, especially for one likely to become a principal, although, of course, he has lived too long in the world not to realize that the making of manhood does not really depend upon this or that favorable environment, but that men are in a great degree the architects of their own fortunes. Mr. Sandeman himself is a good illustration of this, for despite his

lack of a purely academic training, he has elbowed his way through the crowd, and his business life has been highly and honorably successful. The Governor of the Bank is the senior partner of the firm of Geo. G. Sandeman, Sons & Co. of St. Swithin's Lane. At the early age of twenty Mr. Sandeman was sent out to Portugal to manage his firm's house in Oporto.

For several years he was Chairman of the London Dock Company, and it was during his chairmanship that the important joint working agreement between the London and St. Katharine and the East and West India Dock Companies was carried into effect. The high position of High Sheriff of Surrey was also held by him in 1872. He was first elected a director of the Bank in 1866—a year memorable for the collapse of Overend, Gurney & Co.

Having made acquaintance, as it were, with the Governor, we will glance hurriedly round some of the more important sections of the interior of the Bank, noting at the same time the purposes to which these offices are divided.

The work of the Bank, roughly speaking, divides itself into these three heads:

The Management of the National Debt.

The Issue of Bank Notes.

The Banking Department.

To commence with the last named, the following are the important rooms to be mentioned: The Public Drawing Office, which has the management of all the Government accounts; the Private Drawing Office, in which arrangements are made for the conduct of all private accounts kept with the Bank. This room—one of the finest in London—contains a special division for bankers whose daily checks entered in this department reach colossal figures. About 110 clerks are employed in the Private Drawing Office alone. In the Dividend Pay Office the dividends on the Funds, bank stock and other stocks specially inscribed at the Bank are paid. According to "Hankey on Banking," published in 1887, the dividends then paid were upon seventy-five stocks, the warrants numbering about 380,000 and the coupons representing a value of about £33,000,000 and a capital stock of about £930,000,000.

An important department also to note is the Discount Office, where the Bank discounts bills for and makes advances to its own private customers and also transacts the same kind of business with the bill brokers at times when outside supplies of cash are running short.

When considering the Banking Department of the Bank of England it may be mentioned that there are two London branches of the Bank, besides others at the more important trade centres of the Kingdom. The issue of notes, however, is confined entirely to the head office in London.

The Issue of Bank Notes.

The following extracts from Mr. Hankey's work already alluded to will give a good insight into the arrangements connected with the issue of Bank notes:

"The paper required in their manufacture has for many years been made at Messrs. Portal's mills at Laverstock, Hampshire, and about 15,000 reams are usually supplied to the Bank yearly, each ream of 500 pieces of paper making 1,000 notes, the paper being generally kept for six months before it is taken into use. The dies from which the water-mark is made, as well as the plates used in printing the notes, are all manufactured at the Bank, where also the notes are printed. The Chief Cashier regulates the quantity of notes required to be printed, and sends orders to the printing office for the number he deems requisite. The

notes, which were formerly printed by two distinct processes, are now completed by one operation. When the Chief Cashier from time to time orders the issue of fresh Bank notes, he gives the Chief Accountant notice thereof, specifying how many are to be prepared, and the dates they will respectively bear. The accountant immediately opens a general credit for the amount of the new creation of notes, and at the same time prepares books in his own department, called ledgers, numbered and dated to correspond with the notes in question, in which a separate credit is opened for every individual note made.

The notes being now ready for use are drawn from the Treasury, as occasion may require, by the Chief Cashier, whether for London or branch bank issues, and passed into the Issue Department, from which they are issued to the public, to the bankers, to the banking offices of the house, and to the respective branches, so that this department is cognizant of, and virtually responsible for, the issue of all the notes circulated by the Bank of England. There are two principal ways in which notes get into circulation. In the first place, notes are issued to any one in exchange for gold bullion; and, secondly, any person having a drawing account at the Bank has only to draw a check, and on its presentation he will be paid the whole or any part of the amount on his account in notes, or notes and gold, as he may prefer. Every note issued is entered by its number and date in the books of the Issue Department, and these books being all duly balanced at the close of each day, all the remaining notes (including those considered as broken cash, in the hands of the pay-clerks, and deposited each night in the Treasury) are returned every evening to the Cashier, whose account will then show the number of notes issued in the course of the day. Simultaneously with this process, another will have been in operation through the day, and in the same department, viz., the exchange of notes for gold. The Bank note being a promise to pay the amount thereof in gold on demand, any one bringing notes to the Bank is entitled to make this demand, and during each day large amounts of gold are given in exchange for notes. The Cashier's daily account, therefore, will show the number of notes received back again by the Bank in this way, as well as all paid in to account by parties having drawing accounts at the Bank. A similar account in abstract of all notes exchanged for gold, or gold exchanged for notes, and of notes paid or received in the banking offices, is kept by the Accountant of the Bank, whose accounts must agree daily with those of the Cashier.

It has already been mentioned that as the notes are from time to time numbered and dated for issue, the accountant is made acquainted therewith, and that he prepares ledgers containing a separate credit for every note issued. When the notes are returned again to the Bank for payment, these individual credits are cancelled by the date of the return of each respective note being posted in the ledger against the number corresponding with that borne by the note itself. Thus it will be seen that the amount of the credits closed, or, in other words, the number of notes paid in, being deducted from the circulation account, will show at the close of each day the actual number and amount of the notes remaining in circulation.

When notes are received by any Bank clerk they are at once cancelled, which is accomplished by tearing off the corner bearing the signature of the Chief Cashier, and subsequently they are further defaced by the amount placed in the left hand corner being punched out. When cancelled and written off in the books of the Accountant's Office, the notes—which will previously have been separated into amounts and dates, and sorted numerically—are tied up in parcels varying from 300 to 1,500, and each individual note will have upon the face of it a stamped mark, which will bear such reference to the balance-sheets of the day as will enable a clerk in the space of a few minutes to state by whom and when the said note was paid into the Bank. These parcels are then deposited in the Accountant's Library, and put away in boxes containing from five to six bundles of 1,000 notes each, and are preserved for five years, at the expiration of which period they are burnt upon the premises. During these five years any note can be referred to and the particulars of payment ascertained, provided sufficient description can be given as to the number, date and amount. The number of notes paid into the Bank and cancelled daily varies from about 32,000 to 78,000, giving an average of about 50,000 a day. In the library just mentioned there are 13,500 boxes containing the bundles of Bank notes, and the notes themselves generally amount to the almost incredible number of 80,000,000, any one of which can be referred to in about four or five minutes. The whole of this vast and expensive arrangement is maintained for the convenience of the public, that they may have the opportunity of tracing Bank notes, should occasion arise. As far as the Bank is concerned the notes might be destroyed as soon as they have been paid, and the obligation expressed upon them thus fulfilled."

It may be mentioned in connection with the note issue that while the Bank pays to the Government something like £200,000 for the privilege of issuing notes, the actual profit arising from the same probably does not exceed one-half of that amount.

The Gold Weighing-Room.

All gold paid into the Bank is weighed in a room called the "Gold Weighing-Room," a brief account of which is given in the work previously quoted from. In this room are sixteen machines (the invention of Mr. Cotton, a former Governor of the Bank) constantly at work. It is merely necessary to keep them fed with sovereigns and half-sovereigns, and the whole process of weighing and dividing the light from the full-weight coins is performed automatically by the machines, at the rate of about 2,000 an hour each, and with a degree of accuracy and precision that could not possibly be attained by manual labor. In this manner, in the year 1885, £25,087,250 worth of gold coin was weighed and sorted, and the number of individual pieces amounted to 27,272,760. As each gold coin paid into the Bank is very accurately weighed, to the daily average of about 89,125, and those found to be light are cut, the current weight of the circulation is to a considerable extent preserved.

The machines are kept in motion by an atmospheric engine, connected with the steam engine, and the light coins are immediately cut, to be remelted.

Management of the National Debt.

The management of the national debt is thus described by Mr. Hankey, writing in the year 1887:

"To carry out the management of the national debt, it is estimated that about 175 persons are constantly employed, with an additional staff of about thirty when the dividends are paid. Ten rooms are entirely devoted to the purpose, and upwards of 1,700 books are in constant use. The remuneration made to the Bank for this service is regulated by an Act of 1861, and amounts at the present time to about £200,000 per annum. The number of transfers is about 96,000 in the course of the year, and this operation alone necessitates 192,000 alterations of accounts, because for every transfer made the amount must be taken from one account and added to another. This is one instance out of many of the work involved in this department of the Bank. Again, at the making-up of the dividend books, every single account must be agreed, the interest calculated, the tax estimated and deducted, and the net sum to be paid ascertained; and as a single mistake in any one of these operations would throw out the balance, it must be discovered and set right."

In concluding our brief glance at the internal arrangements of the Bank we may mention that apart from the Governor and the Board of Directors the chief officers in the Bank are the Chief Accountant, Mr. Stuchbury, the Chief Cashier, Mr. H. G. Bowen, the Secretary, Mr. Glennie, and the Chief of the Discount Office, Mr. H. N. Search.

We quote again from Hankey:

"The Governors are elected annually by the proprietors of Bank stock, having been first selected by the Court of Directors from their number, but not necessarily in rotation.

They are usually re-elected after one year's service, so that they almost invariably serve for two years each, the Deputy Governor succeeding the Governor, and their attendance is, as a rule, constantly required. Matters of daily routine, such as questions relating to discipline, are generally referred, in the first instance, to the Deputy Governor; while all communications between the Government and the Bank, and all matters affecting the principle of management, are referred, usually, direct to the Governor, who is the final appeal in all cases requiring decision, which the heads of departments may not consider themselves justified in settling. The directors are in like manner elected annually by the proprietors.

The vast proportions of the whole establishment may be summed up in a few general remarks. As a building it covers nearly four acres of ground, and bears an estimated rental of £70,000 a year. Upwards of 1,160 persons are employed, including those at the branches, the porters, mechanics, machine-boys, etc., and the salaries and wages amount to nearly £290,000 a year, besides pensions to superannuated officers of about £44,000 more. The almost universal mode of subordinate government is by a Principal and Deputy Principal to each office, whilst

in some of the larger offices there are Superintendents in addition. The Principals exercise control in their own offices, and once in each quarter have direct communication with a Committee of Directors, when they are encouraged, and in fact required, to make a full report of the working of their several sections of the house; but ordinarily they report only to the head of the department they may be under, who if necessary communicates immediately with the Governors. The most complete subordination and the strictest discipline are insisted upon amongst the body of clerks. Their work is not excessive, but it is expected that it will be (and indeed it generally is) performed with punctuality, zeal and gentlemanly behavior."

THE BANK AND ITS CRITICS.

Although the active opposition which surrounded the Bank of England in its earlier days, together with much of the bitterness of criticisms, are now things of the past, the Bank having, so to speak, lived them down, there is still probably no institution in the country so severely and constantly criticized as is the "Old Lady of Threadneedle Street."

That such should be the case is not, perhaps, surprising, considering the arduous and peculiar responsibilities attaching to those who guide its affairs. As a private corporation the directors have to concern themselves directly and in the first place with the interests of their proprietors; while at the same time, as a result of the importance of the institution they control, they must of necessity take upon themselves what amounts to a public office, that of guarding the surplus wealth—the reserve cash store of the British nation.

Just a glance at the nature of present day criticism may throw additional light on the present position occupied by the Bank, while at the same time it will bring this article to a fitting close.

From the peculiarly high position occupied by the Bank, and through the confidence which it always enjoys with the Government of the day, the directors are, naturally enough, often in possession of valuable information necessary to those who have by the necessity of their position to frequently shape the course of the money market and partly, perhaps, because the banking community cherishes a kind of jealousy of this superior knowledge, it does not forget to be prompt to censure what appears to them as the slightest error of judgment on the part of the directors.

If the Bank rate is advanced unexpectedly, the directors are accused of being "nervous, mere children, old women, frighteners of the market, enemies to trade," etc., etc.

Should the Bank on the other hand be slow to make what in the opinion of the market is a necessary advance in the rate, the question is asked, Are the directors aware of the responsibilities of their position as custodians of the reserve of the country?

It might have been supposed that the experience of the past would suffice to answer most of these criticisms, but from intimate acquaintance with most of the banking and discount establishments of London I can only say that a certain cheap kind of abuse of the Bank is almost as popular with some as is the abuse of the Government.

The Bank of England has on the whole been fortunate during the many years of its existence in possessing servants of exceptional honor and probity. There may, perhaps, have been some occasional exceptions here and there. When such instances do occur, and provided the loss be confined to the Bank itself, the banking and financial community is supremely happy. It affects to be terribly shocked and pained, but the sorrow is chastened by a

smug complacency very thinly disguised. Articles appear on the "Paralytic Bank of England," and a general tone is adopted from which it might be imagined that the whole institution was mismanaged and the public interests were in some way seriously affected.

Your readers will, I think, be interested in one of the latest of modern criticisms on the Bank's action, because your country was, so to speak, "at the bottom of it." On September 10 last, when gold had commenced to flow from London to New York, the Bank suddenly raised its rate of discount from 2 per cent., at which it had remained for over two years, to 2½ per cent.

The general outcry was tremendous. Consols and other investment stocks fell heavily within a few days and the Bank's action was daily assailed in city conversation. "The alteration was unnecessary," it was said. "The demand for gold for the States would be over in no time. The Bank was needlessly wrecking the stock markets. There would certainly be no further change. The market was being unnecessarily frightened," and so on *ad infinitum*.

To-day the wisdom of the Bank's action is unquestioned. In the first place the directors had more correctly gauged than had the market the probable extent of America's gold requirements; but their action went deeper than that. The successive changes in the Bank rate which followed revealed the fact that owing to the long continued cheapness of money such an enormous Stock Exchange speculation had been entered into—it was indeed time that by an alteration in the official rate some kind of indication should have been thrown out to reckless speculators that the time had come to "shorten sail."

Perhaps the most recent up-to-date criticism on the Bank is contained in a grumble that it is too go-ahead and is competing with other banks unfairly. As a writer in the "St. James' Gazette" well puts it:

> "The sort of criticism that most often descends upon the Bank is not any definite attack upon its constitution or its officers, but a vaguely expressed grumble at all its ways and at whatever it may or may not be doing. There was a day when it sat still and took any business that came to it; and then it was vituperated as a sleepy-headed old stick-in-the-mud. Recently it has been launching out and competing for business, especially in its country branches; and the rest of the banking world holds up its hands in virtuous indignation and raises a howl, as if the Bank were precluded by its position from any attempt at extending its connections, and as if its desire for new business were not only a most undignified descent into the arena of every-day competition but a confession of serious weakness."

Speaking in this vein the other day at a meeting of shareholders, the Chairman of one of the ordinary banks was enabled to coin a phrase when he stated that the Bank was nowadays such an eager competitor for business that it must no longer be called the "Old Lady of Threadneedle Street," but "the new woman of the money market."

A. W. K.

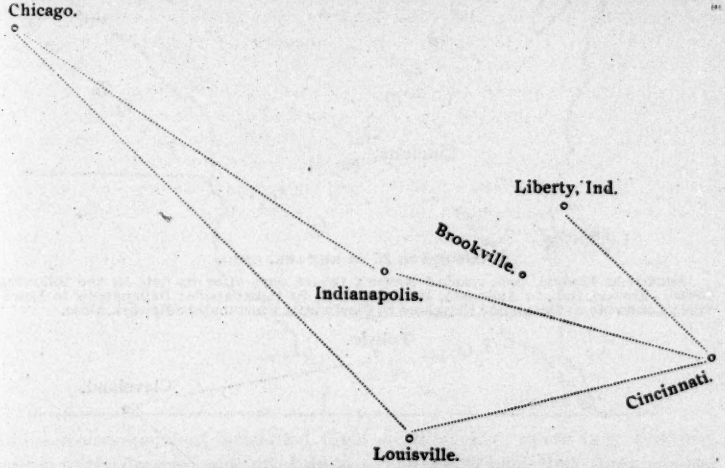
LONDON, Jan., 1897.

The tables of reference consulted and quoted from in the above article are: "The History of the Bank of England," by John Francis; "Hankey on Banking"; "A Money Market Primer and Key to the Exchanges," by George Clare; "Palgrave's Dictionary of Political Economy"; "A History of Banking of all the Leading Nations" (Journal of Commerce, New York); "Gilbart's History and Principles of Banking"; "The Bankers' Magazine" (London), etc.

PRACTICAL BANKING DEPARTMENT.

ZIGZAG JOURNEYS OF CHECKS.

The Third National Bank, of Cincinnati, Ohio, has issued a pamphlet illustrating the devious windings of checks deposited for collection. This is an abuse that is a common one, and many remedies have been proposed. It has its origin in undue competition, in the willingness of banks to receive checks on remote points and at once credit them to the depositor as so much



CHECK FOR $29.50 ON BROOKVILLE, IND.

Started at Liberty, Ind., about eighteen miles from Brookville, and went over the following route: Liberty to Cincinnati; Cincinnati to Indianapolis; Indianapolis to Chicago; Chicago to Louisville; Louisville to Cincinnati. The Third National Bank, of Cincinnati, returned the check to the Louisville Bank, and does not know its subsequent fate, dismissing it with the observation that "the poor thing had already travelled more than 800 miles."

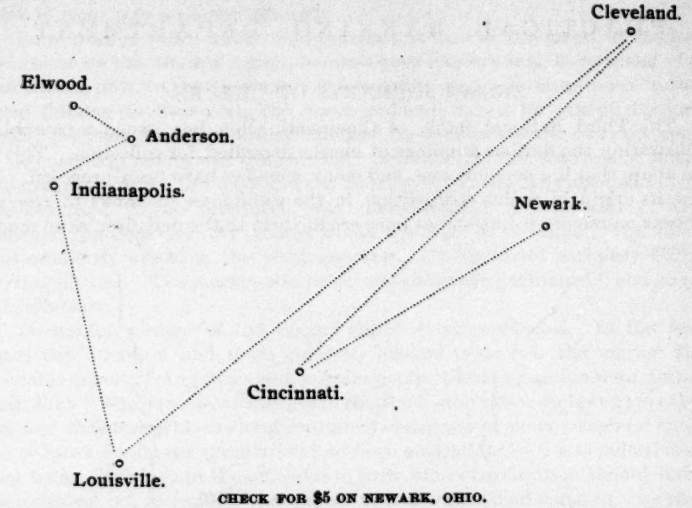
cash, making no deductions for the cost of collection. So long as there are banks that will do this work for nothing, the depositors can not be blamed for availing themselves of the opportunity to get something for nothing. To avoid the expense of direct collection, the checks are sent to "par points," thus making some curious journeys, as shown in the accompanying diagrams.

There is another phase of this subject that should be borne in mind—the risk of losing the face of the check in case of failure of the drawee bank. It has been frequently held that the sending of checks by such circuitous routes is not exercising that diligence in their presentment which the law requires.

In the case of *Gifford* vs. *Hordell*, reported in RHODES' JOURNAL OF BANKING, January, 1895, page 35, the Supreme Court of Wisconsin decided that the indorser of a check is absolutely discharged if presentment be not made in a reasonable time. The Supreme Court of Nebraska also held in the case of *First National Bank of Wymore* vs. *Miller* that the forwarding of

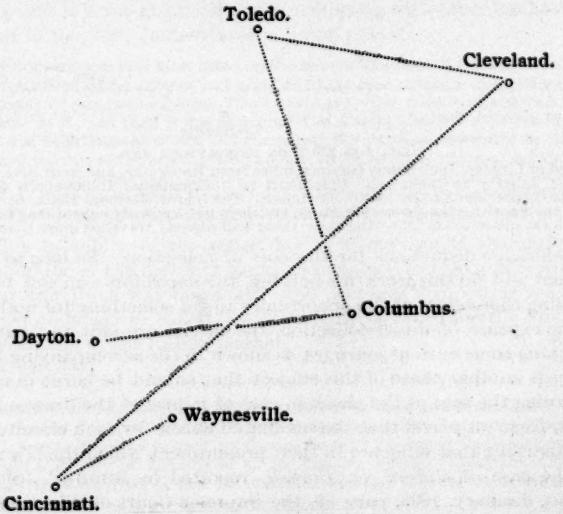
checks by a circuitous route would operate to discharge the indorser. (RHODES' JOURNAL OF BANKING, April, 1895, page 435.)

The Wisconsin case was commented on in a recent issue of the "Journal



CHECK FOR $5 ON NEWARK, OHIO.

Started at Elwood, Ind.; reached Newark twelve days after its date by the following route: Elwood, Ind., to Anderson, Ind.; Anderson to Indianapolis; Indianapolis to Louisville; Louisville to Cleveland; Cleveland to Cincinnati; Cincinnati to Newark, Ohio.

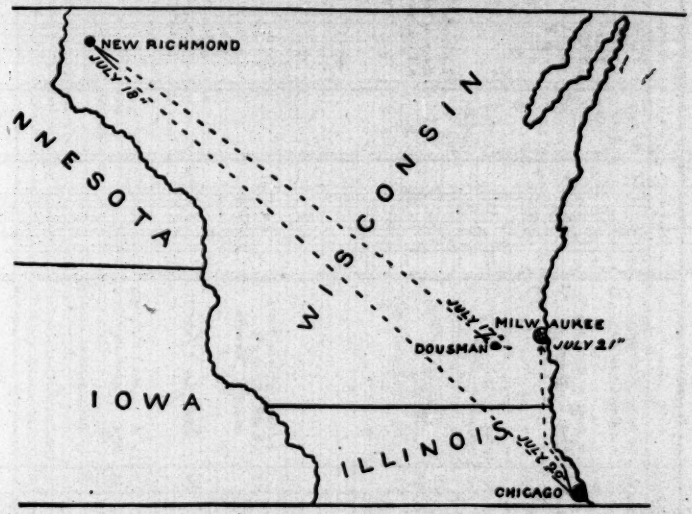


CHECK FOR $2 ON WAYNESVILLE, OHIO.

Started at Dayton, Ohio; reached Waynesville ten days after its date, as follows: Dayton to Columbus; Columbus to Toledo; Toledo to Cleveland; Cleveland to Cincinnati; Cincinnati to Waynesville.

of the Canadian Bankers' Association," which illustrated the route traversed by this check by the map reproduced below.

The facts in the case were as follows: Checks drawn on a bank in Milwaukee and indorsed by the defendant were delivered to the agent of the plaintiff at Dousman, Wis., on July 17, and on the same day were sent by such agent to the plaintiff at New Richmond, Wis., and were received by the plaintiff on July 18 at 5 P. M. Plaintiff, on the same day, delivered them to the Manufacturers' Bank of New Richmond, which immediately mailed them to its Chicago correspondent, having no Milwaukee correspondent. The



Chicago correspondent forwarded them to Milwaukee, where they were presented to the drawee bank on July 21. The court held that there was not due diligence in presenting the checks for payment.

The formation of clearing-houses for the collection of country checks has been frequently discussed in the conventions of bankers' associations, but so far, apparently, without practical results.

RECONCILEMENT OF ACCOUNTS.

The form for reconciling accounts between banks, presented on page 685 of the December number, has been approved by many of our readers. On the two following pages are given the same forms filled out, in order to more fully illustrate their workings. They were made to reconcile by the two western banks named, the balances on their books with the balance of the First National Bank, Chicago, as of date November 30, 1896, as per statement from the latter bank. It will be noticed that with the methods observed in these forms, it does not matter in which bank the overdrafts appear, for after the entries are made in checking up the monthly statements the proof is always shown by addition only. In several recent heavy bank defalcations it has been discovered that the accounts of correspondents have been manipulated, and there is no doubt that the methods of handling these accounts are, in many cases, susceptible of great improvement.

First National Bank in Account with Western National Bank. Denver
Chicago

RECONCILEMENT OF ACCOUNT TO Nov 30 1896

LIST OF FLOATING DRAFTS.

1896 DATE.		ITEMS.	AMOUNT.	DATE.		ITEMS.	AMOUNT.	No.	AMOUNT.	No.	AMOUNT.
Nov	30	Your Balance, to our Credit.	140 150 62	Nov	30	Our Balance, to your Debit.	3 192 068	81209	50		
		Our Balance, to your Credit.				Your Balance, to our Debit.		2420	25		
								590	180		
		We Debit (not in your account)				We Credit (not in your account)		1	450		
"	25	Bal Rem't 1000 7	750	"	26	Cr. to your L 23	529 50	2	3725		
"	27	"	2000 00					6	1028		
"	28	Transfer to make	500 00	"	30	" " " 27th	482 65	7	400 90		
"	30	Bank	30 657					8	529 30		
								9	1022 90		
	30	Yours of 27th	75					Total			
								11/27	2282 35		
								28	2299 25		
								30	2262 10		
DO NOT OMIT DATES.		You Debit (not on our Books)				You Credit (not on our Books)					
"	28	Confirmed	400	"	28	Net Yours & asst Jones	250 00				
"	30	Yours on Bank, 25th	65	"	30	Net for Nov	65 90				
						Drafts Afloat.	128 09 80				
		PROOF.	48 308 53			PROOF.	48 308 53		128 09 80		

First National Bank In Account with Bank of Jones & Co

Chicago RECONCILEMENT OF ACCOUNT TO Nov 30 1896

LIST OF FLOATING DRAFTS.

Date.	Items.	Amount.	Date. 1896	Items.	Amount.	No.	Amount.	No.	Amount.
	Your Balance, to our Credit,		Nov 30	Our Balance, to your Debit,	1111 25				
	Our Balance, to your Credit,		"	Your Balance, to our Debit,	1052 75				
	We Debit (not in your account).			We Credit (not in your account).					
Nov 26	Bal Rent of 500.	90	28	Bal on Your L, 25	750	4810	25		
28	Remittance	950	30	" " " 27	125	5062	100		
29	"	509 10				80	90		
30	Draft, R.R. from	2000				1	50		
	" St Louis	1000				2	70 25		
"	Exch. on Your L 27th	25				3	175		
						4	200		
						5	200		
						6	100		
						7	70 15		
	You Debit (not on our Books).			You Credit (not on our Books).					
29	Petty items, our L 25th	500	" 29	Redisct Brown Note	1000				
"	Disct. Brown Note	15							
30	Int on Own Draft	205							
				Drafts Afloat,	1080 40				
	PROOF,	4610 00		PROOF,	4616 40		1080 40		

DO NOT DRILL DATES.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NATIONAL BANKS—GUARANTY OF MORTGAGES.

U. S. Circuit Court of Appeals, Eighth Circuit, Nov. 16, 1896.

FARMERS AND MERCHANTS' NATIONAL BANK *vs.* SMITH.

A National bank has no power to act as a broker in selling farm mortgages for a commission.

The Cashier of a National bank has no authority to bind the bank by a guaranty of a mortgage bond.

This was an action brought against the Farmers and Merchants' National Bank, of Fremont, Neb., upon a guaranty in the following form:

"For a valuable consideration we hereby guarantee the payment of interest and principal upon a certain loan for $8,000 made to Stephen H. Elwood and Gusta (Lurta) Elwood, of date July 1, 1888, due July 1, 1898, secured by mortgage upon land in Holt County, Nebraska. Dated Fremont, Nebraska, November 17, 1888.

Farmers and Merchants' National Bank,
C. H. TONCRAY, *Cashier.*
C. H. TONCRAY."

Before Caldwell, Sandborn and Thayer, Circuit Judges.

THAYER, *Circuit Judge* (omitting part of the opinion): Treating the suit, then, as an action to enforce the contract of guaranty, we turn to consider whether the trial court, on the state of facts disclosed by the testimony, properly instructed the jury that the plaintiff was entitled to recover. The guaranty was signed in behalf of the bank by C. H. Toncray, Cashier, to secure the payment of a mortgage bond which he had caused to be executed and negotiated for his individual use and benefit. It was so executed without the knowledge or sanction of any officer of the bank other than the Cashier, and without authority to execute an obligation of that character for such a purpose. In view of the fact that the guaranty was executed by the Cashier without any actual authority, the first question which deserves consideration is whether it is binding, in any event, upon the defendant bank.

Counsel for the defendant in error contend, in substance, that the execution of the guaranty was within the apparent powers of the Cashier, and that the defendant bank is estopped from denying his authority to execute it, provided the guaranty was signed and delivered in behalf of the bank for a sufficient consideration. With reference to this contention it may be said that, so long as a National bank confines itself to the kind of business which it is authorized to transact, one who has dealings with it is entitled to presume, unless he has notice to the contrary, that its Cashier is empowered to draw and certify checks and drafts, to transfer by indorsement commercial paper of all kinds which is in the bank's possession, to guaranty the payment of notes and bills which the bank sells or rediscounts for its own bene-

fit, and to do many other acts which, for present purposes, need not be specially enumerated.

These are acts which Cashiers customarily do and perform, and persons dealing with them without notice of any limitation of their powers may properly assume without inquiry that they have the right to do such acts and to exercise such powers. (*Merchants' Bank* vs. *State Bank*, 10 Wall. 604, 650; *People's Bank* vs. *National Bank*, 101 U. S. 181; *Fleckner* vs. *Bank*, 8 Wheat. 338, 356; *Wild* vs. *Bank*, 3 Mason, 505, Fed. Cas. No. 17,646; *Cooke* vs. *Bank*, 52 N. Y. 96, 115; *Farmers and Mechanics' Bank* vs. *Butchers and Drovers' Bank*, 16 N. Y. 125, 133, 134; *Houghton* vs. *Bank*, 26 Wis. 663; Thomp. Corp. §§ 4789–4791, 4815.)

But the doctrine aforesaid has no application in those cases where a bank is known to be carrying on a kind of business which it is not authorized to transact. If a person enters into a business transaction with a National bank, or any other corporation, he is bound to take notice of the nature and extent of its corporate powers, and of the purpose for which it was organized; and if the transaction in question is in excess of those powers he has no right to presume without inquiry that a guaranty executed by its Cashier, or by any other officer, in the course of such transaction, is executed with the sanction and approval of the corporation.

No Act done by an officer of an incorporated company in furtherance of a business venture which is outside of the company's corporate powers can be said to be an Act which is within the scope of the apparent or customary powers of such officer, and to be binding upon the corporation for that reason. A bank may well be held responsible to a third party for an Act done by its Cashier in the prosecution of the legitimate business of the bank which was within the apparent scope of his powers, although it was in fact unauthorized by the corporation.

A bank may also be held responsible to a third party for a wrongful and unauthorized act of its Cashier which has the appearance of being within the scope of his ordinary duties, and not *ultra vires*, although by reason of some extrinsic fact, such as the purpose for which the act is done, which is unknown to the party with whom he deals, the act done is in excess of the legitimate functions of the corporation. (*Farmers and Merchants' Bank* vs. *Butchers and Drovers' Bank*, 16 N. Y. 125, 130; *Houghton* vs. *Bank*, 26 Wis. 663; Thomp. Corp. §4806.)

But when a transaction in which a bank is for the time being engaged is known to the person dealing with it to be outside of the legitimate sphere of its operations, no reason is perceived why a person dealing with the Cashier under such circumstances should be allowed to indulge in any presumptions as to the Cashier's authority. He is advised by the very nature of the transaction that all acts done and performed in relation thereto are beyond the power of the corporation, and, if he expects to hold the corporation liable on any contract or obligation entered into by the Cashier or other officer in the course of that transaction, he should at least see to it that such contract or obligation is approved by the board of directors or other governing body. (*Bank* vs. *Graham*, 79 Pa. St. 106; *Moores* vs. *Bank*, 111 U. S. 156, 4 Sup. Ct. 345; Thomp. Corp. §§ 4754, 4755.)

In the case in hand there was evidence which tended to prove, even if it did not conclusively show, that Isaac E. Smith, the original plaintiff's testator, when he purchased the mortgage bond in controversy, was well aware that it did not belong to the defendant bank, but that it had simply undertaken to negotiate a sale of the same for a commission in that behalf paid to it by the mortgagor. In other words, there was evidence tending to show that he knew that the bank was engaged in the brokerage business. Walker & Co., who acted ostensibly as agents for the defendant bank in negotiating the sale of the mortgage bond, evidently understood that it did not belong to the bank. The members of that firm, in consequence of their prior dealings with the bank, were advised that the bank, in offering the bond for

sale, was acting solely in the capacity of a broker. They do not claim, and there is no evidence in the record which tends to show, that they represented to the purchaser of the bond that it was the property of the bank, or that the bank was selling it for its own account; it does appear, however, that Walker & Co. exhibited to him, prior to the sale, an application for the loan in question, dated July 7, 1888, made on a printed form, which was signed by Elwood and wife, the mortgagors, and was verified before C. H. Toncray as a notary public.

In addition to this request for the loan, which was made by the mortgagors, the purchaser also had before him the bond and mortgage, which were executed on printed forms, and both of which bore the following statement: "Negotiated by the Farmers and Merchants' National Bank, Fremont, Nebraska." Under these circumstances, it is necessary to conclude that when the plaintiff's testator purchased the security in question he was well aware that it did not belong to the bank, and that the bank was engaged in the business of selling such securities on commission. From the nature of the transaction we do not see that any other inference could fairly be drawn. The representation contained on the face of the mortgage that it was "negotiated by the Farmers and Merchants' National Bank," and the other circumstances to which we have adverted, would naturally lead any one to infer that in the particular transaction the bank was acting in the capacity of a broker, and that it probably had become engaged, quite extensively, in that line of business. Such, indeed, was the fact. For several years the bank had made a practice of selling farm mortgages on commission, and from some passages found in the correspondence between Toncray and Walker & Co. it would seem that the deceased, Isaac E. Smith, had been one of its best customers.

Concerning the power of the defendant bank to engage in the business of selling mortgage bonds on commission, little need be said, because it does not seem to be claimed that such a power could be lawfully exercised by the bank. The brokerage business is entirely distinct from the business of banking which it was authorized to transact. If a National bank can lawfully act as a broker in selling farm mortgages for a commission, no reason is perceived why it may not act in the same capacity in selling any other species of property, real or personal. The National Bank Act does not, in terms, or by necessary implication, authorize National banks to act as brokers in negotiating the sale of securities, and it is generally agreed that they cannot lawfully engage in such business. (*Weckler* vs. *Bank*, 42 Md. 581; *Wiley* vs. *Bank*, 47 Vt. 546; *First Nat. Bank of Lyons* vs. *Ocean Nat. Bank*, 60 N. Y. 278; *Talmage* vs. *Pell*, 7 N. Y. 328.)

The case disclosed by the record, then, is briefly as follows: The plaintiff's testator bought the mortgage bond in controversy from the defendant bank through its ostensible agents, Walker & Co., either knowing, or having sufficient reason to believe, that the bank was acting merely in the capacity of a broker for the mortgagors. He was affected with knowledge that the bank could not lawfully act in that capacity, and that the transaction in question was *ultra vires*. After the purchase was made, and the money was paid, he accepted a guaranty of the loan, executed by C. H. Toncray as Cashier, to guard against a loss which might be sustained owing to the existence of prior incumbrances on the mortgaged premises.

The Cashier acted wholly without authority in executing the guaranty, and the plaintiff's testator made no inquiry as to his authority, but relied on the assumption that the act was within the scope of his ordinary duties. The bank received no part of the proceeds of the sale of the mortgage bond, and has not profited to any extent by the unauthorized act of its Cashier.

In view of the foregoing considerations, we are of the opinion that the defendant bank is not bound by the alleged guaranty which the Cashier assumed to execute in its name, and that the bank is not estopped from denying the Cashier's authority

to execute it. When the plaintiff's testator accepted the guaranty, he was not dealing with the bank under such circumstances as warranted him in assuming without inquiry that it was executed and delivered with the sanction and approval of the board of directors, but he was dealing with it under conditions which conveyed notice that, if the bank had in fact undertaken to dispose of the security in question, its action in that regard was in excess of its lawful powers.

ULTRA VIRES ACT—PURCHASE AND SALE OF GOODS—RECEIPT OF BENEFIT BY BANK.

United States Circuit Court of Appeals, Eighth Circuit, November 5, 1896.

AMERICAN NATIONAL BANK *vs.* NATIONAL WALL PAPER COMPANY.

Where a bank receives and retains the benefits of the purchase and sale of goods by its Cashier for its account, with full knowledge of the circumstances, it can not set up as a defense in an action against it for the value of the goods that the Cashier acted without authority in making the purchase.

Nor can it in such case set up as a defense that the transaction was in excess of the powers of the bank.

Before Caldwell, Sandborn and Thayer, Circuit Judges.

In error to the Circuit Court of the United States for the District of Nebraska.

The American National Bank of Denver, the plaintiff in error, was a creditor of A. Gauthier, a wall-paper and paint merchant doing business in Denver, in a sum exceeding $14,000. To secure payment of this sum, the bank attached the entire stock of its debtor, which was afterwards sold under the attachment by the sheriff, and purchased by the bank, or by one of the bank's agents or officers in trust for the bank. Not being able to effect a lump sale of the stock, the bank was compelled to sell the goods at retail, and to secure a proper agency for that purpose it caused a corporation to be organized, styled the A. Gauthier Decorating Company, to whom it turned over the stock, to be managed and sold for the benefit of the bank. To work off the old stock successfully, it was necessary to buy fresh goods from time to time. These fresh goods were ordered in the name of the A. Gauthier Decorating Company, from the defendant in error.

CALDWELL, *Circuit Judge* (omitting part of the opinion): It is commonly supposed that banks and bank Cashiers represent the highest type of business honor and integrity, and generally this high opinion is fully justified; but the correspondence between the plaintiff and this bank through its Cashier reveals on the part of the bank and its Cashier that vulgar type of dishonesty of obtaining goods on credit, and then refusing to pay for them, and a court of justice is deliberately asked to put its seal of approbation on this method of doing business. It is said the court should do this for the protection of the bank's stockholders, but we know of no principle of law or morals that would justify the court in holding that a bank can obtain the property of the citizen by promising to pay for it, and, after obtaining it, convert it into money, and put the money in its vault, and then refuse to pay for the property upon the ground that such action would be prejudicial to its stockholders, or that it had no legal right to purchase the property. If it had no right to purchase the property, it should return it or its proceeds. The stockholders of the bank have no legal or moral right to profit by such illegal or dishonest acts of the bank at the expense of the innocent merchant whose property it has appropriated.

The bank seeks to escape paying for the goods upon two grounds. The first is that the Cashier acted without authority of the bank. This, as we have seen, is an error of fact; but, assuming the Cashier, who had long held that position in the bank, and who still holds it, did act in the premises without sufficient authority

from the bank, that circumstance constitutes no defense to this action upon the facts of this case. The Cashier acted in good faith towards the bank. He did not appropriate to himself the goods purchased for the bank in the name of the A. Gauthier Decorating Company. They were sold, as was contemplated when they were purchased, along with the stock purchased by the bank at sheriff's sale, and the proceeds of the sale received and retained by the bank, after it had full knowledge of the circumstances under which the goods were purchased, if it did not have that knowledge before. The law on this state of facts is well settled, and is thus stated by Judge Thompson:

"It is a general principle in the law of agency that, where one person assumes, without authority, to make a contract for another, and that other receives the benefits accruing from the contract, and elects to retain them after being possessed of knowledge of the circumstances under which they have been procured from the other contracting party, he is thereby estopped from repudiating the contract without restoring the benefits and putting the other party in *statu quo*. This principal is applicable in its fullest sense to corporations, which, from their nature, can act only through the instrumentality of agents. If, therefore, an officer of a corporation, or other person, assuming to have power to bind the corporation by a given contract, enters into the contract for the corporation, and the corporation receives the fruits of the contract, and retains them after acquiring knowledge of the circumstances attending the making of the contract, it will thereby become estopped from afterwards rescinding or undoing the contract. In other words, by retaining the fruits of the unauthorized contract with knowledge of the circumstances which entitle it to its election either to affirm or disaffirm it, the corporation ratifies the contract, and makes it good by adoption. Speaking generally, and voicing the weight of judicial authority, the corporation is in like manner estopped by retaining, with knowledge, the fruits of the contract, from pleading *ultra vires* as a defense to an action thereon; that is, from setting up as a defense to an action to compel the performance of the contract on its part that it was without power to enter into it." (Thomp. Corp. § 5358.)

It is next said that the bank had no authority under its charter to buy and sell goods, and that any purchase of goods by the bank, or any one for it, was *ultra vires*, and did not bind the bank. We entertain no doubt of the bank's right to purchase the A. Gauthier stock at the sale thereof on the judgment in its favor; and the right to purchase to save a pre-existing debt due the bank carried with it by necessary implication the right to sell the goods so purchased. How the bank should proceed to dispose of the goods purchased at the attachment sale, and whether, in order to sell that stock to the best advantage, it could rightly buy fresh goods to mingle with it, we need not inquire; for, conceding that it had no right to purchase any goods, not even those purchased at the attachment sale, its liability to pay for the goods purchased from the plaintiff is not affected on the facts of this case. "The great mass of judicial authority," says Judge Thompson, "seems to be to the effect that, where a private corporation has entered into a contract in excess of its granted powers, and has received the fruits or benefits of the contract, and an action is brought against it to enforce the obligation on its part, it is estopped from setting up the defense that it had no power to make it." (Thomp. Corp. § 6016.) Continuing the subject, the learned author further says it is a general principle of law that no party will be permitted to set up the defense of *ultra vires* while retaining the fruits or the benefit of the contract. This doctrine rests upon the unanswerable ground thus stated in Pennsylvania by Mr. Justice Porter: "A man who has enjoyed a privilege has no right to say that because he ought not to have enjoyed it he will not pay for it. However unlawful the act, it would be unsound policy to give him this immunity." (Id. § 6015.) The reason of the rule

is that honesty and fair dealing are the highest public policy, and that a private corporation, which is a mere collection of individuals, is no more privileged to repudiate its engagements, and act dishonestly, than a single individual is. (Id. § 6017.)

Where, therefore, a corporation purchases property contrary to a prohibition, or without an authorization in its charter, it cannot retain the property, and refuse to pay the price, or set up the defense of *ultra vires* when sued for the same. (Id. § 6018.)

The authorities supporting the text of the learned author are too numerous to require citation. The doctrine has become familiar learning.

LIABILITY OF STOCKHOLDERS—JURISDICTION OF FEDERAL COURT—STATUTE OF LIMITATIONS.

United States Circuit Court, District of Nebraska, November 24, 1896.

THOMPSON *vs.* GERMAN INSURANCE COMPANY, *et al.*

A suit by the Receiver of a National bank to enforce the liability of the shareholders in a case arising under the laws of the United States, and, where the amount involved exceeds $2,000, is within the jurisdiction of the United States Circuit Court.

The fact that such a suit is based upon a Federal statute does not except it from the operation of the State statute of limitations.

The statute begins to run as soon as the assessment becomes due and payable.

SHIRAS, *District Judge:* From all the allegations of the bill filed in this case, it appears that the complainant is the Receiver of the Central Nebraska National Bank, of Broken Bow, duly appointed to that position by the Comptroller of the Currency; that on July 13, 1892, the Comptroller made an assessment of 90 per cent. upon the face value of the shares of the capital stock of said National bank, the same being declared to be due and payable on August 8, 1892. The bill in this case was filed on October 5, 1896, more than four years after the assessment was made, and after the amount thereof was declared to be due and payable by the terms of the assessment order. The bill, in substance, charges that the German Insurance Company was one of the original shareholders in said bank, having subscribed for and taken 100 shares of the capital stock, of the par value of $100 per share, and that subsequently, with knowledge of the insolvent condition of the bank, the insurance company had transferred said shares to other parties, made defendants herein, for the express purpose of escaping the statutory liability existing against the shareholders of insolvent National banks.

The purpose of the bill is to ascertain and fix the liability for the assessment made by the Comptroller, the several parties to whom the stock has been transferred being made parties defendant. The amount of the assessment sought to be collected is $9,000.

To this bill demurrers have been interposed, and in support thereof it is first urged that the circuit court of the United States has not jurisdiction of the matter. The controversy is clearly one arising under the laws of the United States, the liability sought to be enforced being one created by the statutes of the United States; and, as the amount involved exceeds $2,000, exclusive of interest and costs, jurisdiction exists in this court, under the express provisions of the Acts of Congress of 1887 and 1888.

The next ground urged in support of the demurrers is that the bill, upon its face, shows that the proceeding is barred by the lapse of time under the provisions of the statutes of the State of Nebraska, which provide that, except in cases for the recovery of real property, actions upon contracts not in writing, express or implied, and actions upon a liability created by statute, other than a penalty or forefeiture,

must be brought within four years after the right of action has accrued. (Comp. St. Neb. 1895, §§ 5599–5601.)

The first question for decision is whether the provisions of the State statute can be relied upon as a bar to a liability created by a statute of the United States. This question, it seems clear to me, has been finally and fully answered by the ruling of the supreme court in *Campbell* vs. *Haverhill* (155 U. S. 610). It had long been an unsettled problem whether an action for the infringement of a patent was subject to be barred by the statute of limitations of the State wherein the suit was brought, and the circuit courts were divided in opinion thereon. The supreme court, in *Campbell* vs. *Haverhill*, held that the State statute was applicable, although the right of action was created by the statute of the United States, and the Federal courts alone had jurisdiction over actions based upon the statute.

Relying upon the doctrine announced in that case, I hold that the fact that this proceeding is based upon a Federal statute does not except it from the operation of limitations. The fact that this is a proceeding in equity is likewise of no avail against the applicability of the State statute, it being settled, by repeated decisions of the court of appeals in this circuit, that the bar of the statute will be enforced, when applicable, in equity as well as at law. (*Railway Co.* vs. *Sage*, 1 C. C. A. 256, 49 Fed. 315; *Rugan* vs. *Sabin*, 3 C. C. A. 578, 53 Fed. 415; *Hayden* vs. *Thompson*, 17 C. C. A. 592, 71 Fed. 60.)

On behalf of complainant, it is further suggested that, in substance, this is a proceeding in which the United States is interested, in such sense that the statute will not be held applicable, upon the familiar doctrine that the statute of limitations is not usually held applicable to suits brought by the sovereign power. The proceeding is not in the name of the United States. It is not brought, on behalf of the United States, to enforce any sovereign or governmental right or claim. The proceeding is in the name of the Receiver, and is brought to enforce collection of the assessment made upon the stockholders for the benefit of the creditors of the insolvent bank; and the rule sought to be invoked cannot be applied, because the United States is not a party to the proceeding. In cases of this character the Receiver is acting as the trustee and representative of the creditors of the bank, and, as against the creditors, the statute is available. (*Case* vs. *Terrell*, 11 Wall. 199; *Scott* vs. *Armstrong*, 146 U. S. 499.)

It is also claimed, on behalf of complainant, that the running of the statute was ended when the insolvent bank was put in liquidation,—the thought being, if I correctly apprehend counsel, that the whole process of liquidation, including suits to collect the assets of the corporation, and including therein the assessments made upon the stockholders, is to be deemed to be one proceeding, the same being of a nature to interrupt the running of the statutory period; and in support of this view the case of *Richmond* vs. *Irons* (121 U. S. 27) is cited. In that case a bill was filed by a judgment creditor of an insolvent bank to enforce his rights as a creditor, and it was in form a bill for the benefit of all the creditors who might come in and join in the proceeding, and the bill expressly prayed that the liability of the stockholders might be ascertained and enforced. It was held by the supreme court that, when other creditors made themselves parties to this proceeding, it must be deemed to be, in their behalf, one continuous suit, so that the running of the statute was interrupted when the original bill was filed.

The difference in the facts of that case and the one at bar makes the ruling in the former case inapplicable to the question arising on the present record. In *Richmond* vs. *Irons* the bill was, in effect, filed on behalf of all creditors, to reach the assets of the bank; and the court held that, so long as any portion of these assets remained undistributed, any creditor could make himself party to the proceedings, so as to share in future distributions, and that, as the bill filed sought to enforce the

liability of certain stockholders, the filing thereof prevented the running of the statute in favor of all creditors who subsequently became parties to the bill.

In that case the suit in equity to enforce the statutory liability was filed before the bar of the statute had accrued, and the ruling of the supreme court is simply to the effect that the bill was filed for the benefit of all creditors who subsequently joined in the proceeding. In the case at bar no suit was commenced until after the expiration of four years after the assessment was made by the Comptroller. It is well settled that the statute begins to run from the date the call or assessment becomes due and payable. (*Hawkins* vs. *Glenn*, 131 U. S. 319, 9 Sup. Ct. 789; *Glenn* vs. *Liggett*, 135 U. S. 533, 10 Sup. Ct. 867; *Glenn* vs. *Marbury*, 145 U. S. 499, 12 Sup. Ct. 914; *Ligget* vs. *Glenn*, 2 C. C. A. 286, 51 Fed. 381.)

The contention of complainant is that the putting of the bank into liquidation, and the act of the Comptroller in making the assessment of 90 per cent. upon the capital stock, is the equivalent of the filing of the creditor's bill in the case of *Richmond* vs. *Irons*, and that thereby the running of the statute was prevented. The act of the Comptroller in making the assessment created a right of action against the stockholders, but it was not the institution of a suit for the enforcement of the right of action thus called into being. When the assessment became due and payable the Receiver possessed the right to enforce payment thereof by the appropriate proceedings in court. As soon as this right of action accrued to the Receiver, the statute of limitations began to run in favor of the stockholders, and the full period to complete the bar had terminated before this suit was brought.

In *Richmond* vs. *Irons* the creditors' bill filed in the court was for the purpose of enforcing the right of action against the stockholders. In the case at bar the act of the Comptroller in making the assessment created a right of action against the stockholders, but the Comptroller did not nor could he grant an order enforcing this right of action. The remedy for the enforcement of the right was by an appropriate action in court, and it is this remedy which may be barred by the lapse of time, and in my judgment the bar has become effectual in this case, in that it appears that under the statute of Nebraska actions of this character must be brought within four years from the time the right of action accrues, and the bill shows that this proceeding was not commenced within that period after the assessment became due and demandable.

Upon this ground, therefore, the demurrers are sustained, and the bill is dismissed, at cost of complainants.

LIABILITY OF STOCKHOLDERS—ACTION BY RECEIVER.

Supreme Court of Minnesota, December 16, 1896.

MINNEAPOLIS BASEBALL CO. *vs.* CITY BANK, *et al.*

Under the laws of Minnesota the Receiver of a bank (except where appointed upon the application of the Superintendent of Banks) has no authority to enforce the individual liability of the stockholders.

START, *C. J.*: This action was originally commenced against the defendant bank alone, on January 15, 1896, under the provisions of Gen. St. 1894, c. 76, for the sequestration of its assets, and the appointment of a Receiver. On the following day the appellants herein filed their cross bill or complaint, as creditors of the bank, seeking thereby to enforce the double liability of its stockholders for its debts, alleging therein a cause of action against them, and naming them as parties defendants. The appellants then moved the court for an order joining the stockholders as defendants, and requiring them to answer the cross bill. The trial court denied the motion without prejudice, and with leave to renew it, upon the ground that it

was not advisable to proceed against the stockholders until it became apparent that the assets of the corporation would not pay its debts in full.

On January 23, 1896, David C. Bell was appointed Receiver of the property and assets of the defendant corporation and to take charge of its property and effects, with power to collect, sue for, and recover the debts and the property that belonged to the defendant.

On March 30, 1896, it was apparent that the assets of the corporation were insufficient to pay its debts, and the appellants renewed their motion to bring in the stockholders to answer their cross bill. Thereupon the court made its order requiring the bank and the Receiver to show cause on April 4, 1896, why the motion should not be granted.

On April 3, 1896, the Receiver filed what is designated as a "supplemental complaint" (it is difficult to classify it), asking that the stockholders be made parties to the action, and to answer his complaint wherein he sought to enforce their individual liability.

Upon the hearing of the motion of the appellants, on the next day, the Receiver opposed it, and claimed that the stockholders should be made parties, and required to answer his complaint, and not that of the creditors.

The Court thereupon made its order denying the motion of the appellants, and its further order directing the stockholders to be made parties on the application of the Receiver, and to answer his complaint. The appellants appealed from each order. Their motion was denied, on the sole ground that the Receiver was the proper party to enforce the personal liability of the stockholders.

If such is the case, and he is authorized by law to enforce the liability of the stockholders for the debts of the corporation, then the order should be affirmed. We say "order" because, practically, there was but one; for the refusal to bring the stockholdrs in on the appellant's cross bill, and ordering them joined on the Receiver's commission or complaint, might properly have been included in one order.

The only question, then, in this case, is, Has a Receiver of a corporation appointed in sequestration proceedings under Gen. St. 1894, c. 76, authority to enforce the personal liability of stockholders for the debts of the corporation? We answer the question in the negative.

[The Court here reviewed a number of authorities.]

It appears from this summary of the decisions of this court that unpaid stock subsciptions, property transferred by the corporation in fraud of its creditor, and capital fraudulently withdrawn, are assets in the hands of the Receiver as to creditors, though not as to the corporation except as to the first, and he may recover them, because they were at one time assets of the corporation, and as to creditors they remain so; but that, as to the liability of stockholders for the corporate debts, it is not, and never was, a corporate asset, for it is due directly to creditors; and that the Receiver cannot enforce it, in the absence of a statute authorizing him to do so. This conclusion is also supported by the authority of the text writers. (Morse, Banks, §696; Thomp. Stockh. §342; Cook, Stockh. & Corp. Law, §218; 2 Mor. Priv. Corp. §869.)

The action of the Receiver in this case in seeking to enforce the liability of the stockholders was gratuitous, and the stockholders were not bound to litigate the question of their liability with him. If it be desirable, in order to secure a speedy, economical, and practical method of enforcing the liability, to invest the Receiver with such power, it must be done by statute. This has already been done in cases where the Receiver of an insolvent banking corporation is appointed on the application of the Superintendent of Banks. Such a Receiver is expressly authorized to enforce the individual liability of stockholders. (Laws 1895, c. 145, §20.) While the liability of the stockholders must be enforced on the application of creditors,

and not on that of the Receiver, except in cases where the statute otherwise provides, yet it does not follow that the trial court has not the same control of the litigation as if it was conducted by the Receiver.

The creditor who first takes action to have such liability enforced, whether he is plaintiff or subseqnently comes into the action, has no exclusive right to control the litigation; and, whenever the stockholders are once brought into the action, the trial court should so far control the conduct of the litigation as to conserve and protect the rights and equities of both creditors and stockholders.

Whether it may not be feasible in this case to substitute the appellants' complaint for that of the Receiver, and let the answers of the stockholders stand as answers to the substituted complaint, whereby a saving of time and expense may be made, is a question we are, for obvious reasons, not in a position to determine, and leave the matter for the consideration of the trial court.

If it shall be impracticable or illegal to make the substitution, then the district court will make its order, bringing in the stockholders to answer the cross bill or complaint of the appellants.

Orders reversed, and case remanded, with instructions to proceed in accordance with this opinion.

NATIONAL BANKS—INCREASE OF CAPITAL—COMPTROLLER'S CERTIFICATE —FRAUD OF OFFICERS—IRREGULARITIES IN PROCEEDINGS.

United States Circuit Court, W. D., Missouri, October 19, 1896.

LATIMER *vs.* BARD, *et al.*

The finding and certificate of the Comptroller of the Currency that the capital stock of a National bank has been increased in a specified sum cannot be assailed in an action by the Receiver to enforce the individual liability of the stockholders.

The officers of the bank in taking the necessary steps for increasing the stock, act as the agents and trustees of the stockholders, who cannot be heard to assert the wrong of such officers to defeat the claims of innocent third persons.

The National Bank Act confers upon the National banks the abstract power to increase their capital stock, and such power exists independently of the separate steps required to be taken by the stockholders in the exercise of the power; and hence any irregularities or informalities in the exercise of that power may be waived by the subscriber.

These were actions by W. A. Latimer, Receiver of the First National Bank of Sedalia, against William E. Bard, Jr., and others, stockholders in such bank, to recover the amount of an assessment made by the Comptroller of the Currency. It appeared, by the answer, that the original capital of the bank was $100,000; that on September 6, 1890, the shareholders, by a note of the owners of two-thirds thereof, resolved to increase the capital in the sum of $150,000, so as to make it $250,000, instead of $100,000, as theretofore; that subsequently certificates for the increase were issued to the subscribers therefor; that thereafter, on January 17, 1891, the Comptroller of the Currency of the United States duly certified that said bank had increased its capital in the sum of $150,000, with his approval thereof, and further that the whole amount of such increase had been paid in. It further appeared that the defendants received the certificates representing the stock subscribed and paid for by them prior to October 25, 1890; that during the years 1891 and 1892 the defendants, as such stockholders, received dividends on their stock amounting in the aggregate to 18 per cent. thereof; that, notwithstanding the apparent conformity with all the provisions of the Acts of Congress relating to the increase of stock, in point of fact at least one-third of the amount of such increased stock was subscribed for by the officers of the bank, who subsequently issued certificates to themselves therefor, without paying anything for the same.

It was further alleged in the answer that no profits were made by the bank after the defendants subscribed for the increased stock, and that the dividends which they received, as stated, were paid to them out of the capital which they had paid in; that the officers of the bank falsely and fraudulently represented to the defendants, at the time of taking their subscriptions and receiving their money, that the bank was solvent, that the increase had been lawfully made, and that the same had been fully paid in; that these statements were false, and known to be false by the officers of the bank when making them; that the defendants made their subscriptions and paid in the amount thereof and took their certificates in implicit reliance upon such statements; that the defendants had no knowledge of the falsity thereof, or of the false entries made as aforesaid, or of the alleged illegality of the increase of stock, until after the Comptroller of the Currency made the assessment against the stockholders on April 18, 1895, and by the exercise of ordinary care could not have discovered or known the truth; that immediately on discovering the facts, after the assessment was made against them, they tendered to the plaintiff the amount received by them as dividends as aforesaid, and offered to deliver up their stock to him, also. To this answer a demurrer was interposed.

ADAMS, *District Judge* (omitting part of the opinion): The defendants' counsel do not rely upon the false representations as such of the officers of the bank, as a defense, but, in argument, contend solely that the increase of capital was void because the whole amount of such increase was not in good faith paid in, and that the defendants are entitled to invoke such fact as a defense to this action against them.

The only question for consideration, therefore, is whether or not the alleged fraudulent action of the officers of the bank in figuring out an apparent surplus entitling them as holders of the original stock to a dividend, and appropriating the same to themselves and using it in paying up their quota of the increased stock, rendered invalid and void the entire increase. The national banking law (section 5142, Rev. St. 1878), and the amendment of May 1, 1886 (24 Stat. 18), provide, in effect, that three facts must concur to constitute a valid increase of the capital stock of a national banking association: First, a vote of shareholders owning at least two-thirds of the original capital; second, the whole amount of the increase must be paid in; third, the Comptroller of the Currency, by his certificate specifying the amount of increase of such capital, must approve thereof, and certify to the fact of its payment. The pleadings in this case show the requisite vote of shareholders and the requisite certificate of the Comptroller. The case shows, by fair inference from the facts pleaded and law necessarily applicable thereto, that the bank, by and through its proper officers, advised the Comptroller, among other things, that the increased capital had been duly paid in. Acting upon this advice, and such other information as to him seemed requisite, the Comptroller approved the increase, and made the necessary certificate that the amount of the increase had been duly paid in as part of the capital of the banking association.

If there was nothing else in this case, I would hold that the action of the Comptroller, as last stated, is conclusive of the question of fact certified by him, and that the defendants are not at liberty, in this collateral proceeding, to open the same. The Comptroller occupied a position *quasi* judicial in its character. His finding and certification of the fact now in question was an exercise of the judicial function, and ought not to be disturbed except upon some appropriate direct proceeding to that end.

In the case of *Casey* vs. *Galli* (94 U. S. 673) the Receiver of a national banking association sought to recover from a stockholder the amount of an assessment duly made by the Comptroller. The stockholder, among other defenses, set up the fact that the banking association was created under the provisions of the national banking law permitting a State bank to be converted into a National bank, and that

two-thirds of the capital stock never authorized the conversion and never accepted the organization certificate, as required by the Act of Congress as conditions precedent to such conversion. Section 18 of the Act provides that when the Comptroller shall give to such association a certificate under his hand and official seal that the provisions of the Act have been complied with, and that it is authorized to commence the business of banking under it, the association shall be deemed to be a national banking association, the same as if originally organized under the Act.

The Supreme Court, in passing on the case, says:

"The plea denies the regularity of the proceedings in the single particular that the owners of two-thirds of the capital stock of the bank did not authorize the directors of said bank to convert it into a national banking association nor to accept an organization certificate as such banking association."

After alluding then to the admission contained in the pleadings that the Comptroller's certificate was duly made, the court says:

"The plea proposes to go behind the certificate and contradict it. This cannot be done. The Comptroller was clothed with the jurisdiction to decide as to the completeness of the organization, and his certificate is conclusive upon the subject for all purposes of this litigation. It has the same effect, and for the same reason, as his determination and order with respect to the amount to be collected from such stockholders in the event of the failure of the association. No question can be raised in this collateral way as to either. In *Thatcher* vs. *Bank* (19 Mich. 196), it is held 'that whether there was any defect in the process of organization was a question for the Comptroller to decide, and that his certificate of compliance with the requirements of the Act of Congress removes any objection which might otherwise have been made to the evidence upon which he acted.' In this we concur."

The case of *Smelting Co.* vs *Kemp* (104 U. S. 636) is a leading case on the conclusiveness of the findings of executive officers of the Government upon matters referable by the law to them. In the opinion in the last-mentioned case it is said:

"In that respect they (officers of one of the executive departments) exercise a judicial function, and therefore it has been held in various instances by this court that their judgment as to matters of fact properly determinable by them is conclusive when brought to notice in a collateral proceeding. Their judgment in such cases is, like that of other special tribunals upon matters within their exclusive jurisdiction, unassailable except by a direct proceeding for its correction or amendment."

To the same effect, also, are the cases of *Barden* vs. *Railroad Co.* (154 U. S. 288), and *United States* vs. *Winona & St. Paul Railroad Co.* (15 C. C. A. 96, 67 Fed. 948).

Applying the principles of the foregoing cases, it seems to me clear that the action of the Comptroller of the Currency in certifying that the whole amount of the increase of stock had been paid in, with his approval of the increase, so partakes of the judicial character that it cannot be assailed in this proceeding. In reaching this conclusion it must be borne in mind that the particular matter which, by the answer, is relied upon as a defense, is, by the Act of Congress, pointedly referred to the Comptroller for his finding and certification. If, therefore, the finding of any executive officer of the Government, in any case, is to be treated as conclusive (except as against direct attack), it seems to me his finding and certificate of this fact ought to be. The important and diverse business interests of a bank, and the welfare of its stockholders and creditors, demand, in my opinion, that a matter of fact so affecting each and all of these features as the stockholders' relations to the bank, and their liability to its creditors, should be fixed, clearly and definitely, by some decisive authority, and this is what I think Congress undertook to do in requiring the Comptroller of the Currency to find and certify to the fact in question, and as a result thereof to give his approval to the increase. The foregoing is decisive of the

demurrer in this case, but as other important questions have been argued by counsel I will briefly advert to them.

[The Court then found that defendants had been guilty of laches.]

Again, the officers of the bank, in taking the necessary steps for increasing its stock, acted as the agents and trustees of the parties interested in such increase. Their acts are the acts of their principals, and while they may be held to individual liability to their *cestuis que trustent* for breaches of their trust, neither they nor their principals ought to be heard to assert their own wrong to defeat the claims of innocent third parties who acquired rights upon the faith of what was apparently done. Under such circumstances the equities of creditors are greater than those of defrauded principals even, and to permit such principals now to deny their liability would defeat the ends of justice and work a legal wrong. (*Ogilvie* vs. *Insurance Co.* 22 How. 380; *Railway Co.* vs. *McCarthy*, 96 U. S. 258; *Bank* vs. *Hawkins*, 18 C. C. A. 78, 71 Fed. 371; *Duffield* vs. *Iron Works*, 64 Mich. 293.)

It is further argued by defendants' counsel that the entire increase of stock in question was *ab initio* void, and hence that no question of estoppel can arise against the defendants in the case. They say it was *ultra vires* and void because one of the essential and statutory requirements was not complied with, namely, "the whole amount of the increase was not paid in." They contend that the paying in of the whole amount of the increase was a fundamental prerequisite to a lawful and valid increase, and that the failure so to have done, as pleaded by defendants, renders the increase absolutely void. This argument proceeds entirely upon the alleged want of power in the bank. Notwithstanding the views already expressed concerning the conclusiveness of the Comptroller's certificate, I will briefly consider this view of the case.

Counsel rely mainly on the cases of *Winters* vs. *Armstrong* (37 Fed. 508) and *Delano* vs. *Butler* (118 U. S. 634), in the last of which the Supreme Court says:

"It appears that three things must concur to constitute a valid increase of the capital stock of a national banking association: First, that the association, in the mode pointed out in its articles and not in excess of the maximum provided for by them, shall assent to an increased amount; second, that the whole amount of the proposed increase shall be paid in as a part of the capital of such association; and third, that the Comptroller of the Currency, by his certificate specifying the amount of such increase of capital stock, shall approve thereof and certify to the fact of its payment."

This language was used prior to the amended Act of May 1, 1886, and would necessarily be somewhat modified now, if treating of the same subject under the provisions of the amended Act; but for all the purposes of the argument in question this circumstance is immaterial. The argument is that these three several requirements are expressions of or limitations upon the fundamental power conferred upon the bank to increase stock, and that the failure to comply with either of these requirements, in an attempted increase, renders the consummation void for want of fundamental authority therefor. It must be conceded at the outset that if the sovereign authority never conferred power upon the bank to increase its stock at all there was no valid increase in this case, no valid subscriptions by the defendants to such increase, and no liability on their part by reason of any certificates therefor which they may have received; and in such case no acquiescence, laches, or estoppel on the part of the defendants as subscribers to such stock, can work any liability against them. (*Scovill* vs. *Thayer*, 105 U. S. 143; *Implement Co.* vs. *Stevenson*, 13 C. C. A. 661, 66 Fed. 683.) Inquiry must therefore be first made as to whether the requirement that the whole amount of the increase must be paid in relates to the abstract power to increase, or to the performance of that power.

Section 5142, Rev. St. 1878, provides as follows:

"Any association formed under this title may, by its articles of association, provide for an increase of its capital from time to time, as may be deemed expedient, subject to the limitations of this title. But the maximum of such increase to be provided in the articles of association shall be determined by the Comptroller of the Currency; and no increase of capital shall be valid until the whole amount of such increase is paid in, and notice thereof has been transmitted to the Comptroller of the Currency, and his certificate obtained specifying the amount of such increase of the capital stock, with his approval thereof, and that it has been duly paid in as part of the capital of such association."

This section was amended by the Act of May 1, 1886 (24 Stat. 18). The first section of this amended Act reads as follows:

"That any National banking association may, with the approval of the Comptroller of the Currency, by the vote of shareholders owning two-thirds of the stock of such association, increase its capital stock, in accordance with existing laws, to any sum approved by said Comptroller, notwithstanding the limit fixed in its original articles of association and determined by said Comptroller; and no increase of the capital stock of any national banking association either within or beyond the limit fixed in its original articles of association shall be made except in the manner herein provided."

In considering the question of "abstract power," it is well at the outset to clearly understand what is meant by the expression. It is said in the case of *Bank* vs. *Hawkins* (18 C. C. A. 80, 71 Fed. 370):

"An Act is *ultra vires* a corporation when it is beyond and outside of the scope of the powers conferred by its founders, when the corporation is without authority to perform it under any circumstances or for any purpose."

In other cases it is held, and it is generally so understood, that, if any way is provided by law for accomplishing a desired purpose, power in the abstract may be said to exist for doing it.

The statutory provisions above quoted undoubtedly provide some way for increasing the capital stock of a national banking association, and certainly authorize the increase under certain circumstances and subject to certain requirements. They therefore provide "abstract power," as already defined, for doing the act. The steps to be taken in effecting the increase are enumerated in the acts, but these, with the exception of the approval of the Comptroller of the Currency, do not in my opinion concern the question of abstract power to do the act, but relate exclusively to the method of performance or the exercise of the power granted. *Scovill* vs. *Thayer*, *supra*, was an action to recover an unpaid balance due on subscription to increase stock. According to the laws of Kansas, where the corporation there under consideration was organized, any corporation might increase its stock to any amount not exceeding double its authorized capital. After exhausting this power in making one increase which fully doubled its authorized capital, the corporation attempted, by taking the steps required by law for the lawful increase of stock, to further increase its capital. The Supreme Court held that this attempted second increase presented a clear case of want of power in the abstract, which no acquiescence, laches, or estoppel could cure.

Implement Co. vs. *Stevenson* (*supra*) presents another instance of total want of power to make the increase. An attempt was made here to increase stock of a corporation to an amount in excess of the statutory limit, and the circuit court of appeals followed the doctrine of *Scovill* vs. *Thayer*, but in the opinion drew a sharp distinction between that case and others involving a defective or informal exercise of the power granted, holding that in the latter case a stockholder may estop himself from denying the validity of the stock or his liability therefor.

Veeder vs. *Mudgett* (95 N. Y. 295) is a case in which the Court of Appeals of New

York says: "The abstract power [to increase the stock] did exist, and there was a way in which the increase could lawfully be made, and the creditors could without fault believe that the increase had been lawfully effected, and the necessary steps had been taken," and holds, notwithstanding failure to comply with certain requirements of the statute relating to increase of capital stock, that the stockholders, by voting for such increase, accepting their proportion of it, and dividends upon it, and by holding it out as a component part of the capital, are estopped from denying the legality of the increase.

In *Chubb* vs. *Upton* (95 U. S. 665) it appears that the holders of the original capital stock never authorized the increase, and other such irregularities occurred as, between the stockholders and the company, might have subjected the increase to annulment by a direct proceeding; yet the Court says:

"All this does not alter the fact that there was an attempted alteration of the company, under the form of law, approved by the Attorney-General, with an increased capital, in the organization and management of which the defendant took part; that he paid his money, received his certificate of stock, attended meetings, voted, acted as an officer, and, so far as the records shows, never repudiated his position at any time, even to the time of the trial. If successful, he would have shared in its profits. He may have been the dupe and victim of the action of others; he may have been an accomplice; at all events, he was so far an actor in the affair that he cannot escape the consequences of his position."

As a result of a careful examination of all the cases bearing on this question, I am constrained to hold that the statutes of the United States confer the abstract power upon national banking associations to increase their capital to such a limit as might be approved by the Comptroller of the Currency, and that this power, as such, exists independently of the separate steps required to be taken by the shareholders in the exercise of the power; and that any irregularities, informalities, or defects in the exercise of the general power, like that set up as a defense to this action, may be waived by the subscriber; and that the defendants in this case, by their laches and conduct, have so waived it, and are estopped from availing themselves of the irregularity complained of by them. The demurrer must be sustained.

STOCK—LIEN—BY-LAWS.

Supreme Court of Michigan, December 24, 1896.

CITIZENS' STATE BANK OF MONROEVILLE *vs.* KALAMAZOO BANK.

Under the statute of Michigan (3 How. Ann. St. § 2308a8), which provides that "no transfer of stock shall be valid against a bank so long as the registered holder thereof shall be liable as principal debtor, surety, or otherwise, to the bank for any debt due," a purchaser of registered bank stock cannot compel a transfer of the stock on the books of the bank, where the former owners are members of a firm which is indebted to the bank. The lien of the bank is not waived by a by-law which provides that holders of stock desiring to sell shall give the bank an option to purchase.

LONG, *C. J.*: The defendant, as a banking corporation organized under the general banking laws of this State, asserted its lien under that law, which provides: "The shares of stock of such bank shall be deemed personal property, and shall be transferred on the books of the bank in such manner as the by-laws thereof may direct; but no transfer of stock shall be valid against a bank so long as the registered holder thereof shall be liable as principal debtor, surety or otherwise, to the bank for any debt which shall be due and unpaid, nor in such case shall any dividend, interests or profits be paid on such stock so long as such liabilities continue, but all such dividends, interest or profits shall be retained by the bank and applied to the discharge of such liabilities; and no stock shall be transferred on the

books of any bank without the consent of the board of directors, where the registered holder thereof is in debt to the bank for any matured and unpaid obligations." (3 How. Ann. St. § 8208a8.) It was and is insisted that this statute was not intended to give a lien upon the stock of the banking corporation to secure the payment of any such indebtedness as is involved in defendant's contention, but that the statute refers to debts created with the banking corporation after its organization as such. The certificates of stock provide that they shall be transferable "only on the books of the company, personally, or by attorney, on the surrender of the certificate."

By-law 12 of the defendant bank is as follows: "Any stockholder desiring to sell his or her shares of stock in this corporation shall notify the President or Cashier of such fact, and give him and the board of directors ten days to purchase or find a purchaser for said stock; at the expiration of ten days time, the stockholder may sell at pleasure."

It is insisted that this by-law is a waiver of the statutory lien in defendant's behalf. It is also insisted that if it shall be found that the defendant bank had a *prima facie* lien upon this stock to secure the payment of a co-partnership indebtedness for which Dwiggins and Starbuck as co partners might be liable, nevertheless complainant, as the assignee of that stock, is entitled to have the stock transferred upon the books of the company, subject to such lien, and until a foreclosure thereof, in order that it may vote the stock and have a voice in the management of the affairs of the bank.

At the hearing the defendant claimed and offered proofs, which were objected to, tending to show that at the time of the sale of the assets of the Kalamazoo County Bank of Dwiggins, Starbuck & Co., that co-partnership guaranteed the payment of the commercial paper and accounts turned over by it to the defendant bank upon its organization as a banking corporation; that the defendant did business directly with the Citizens' Bank of Edwardsburg and the Union Bank of Richland, both of which were co-partnerships in which Zimri Dwiggins, some of defendant's officers, and others were interested, until those banks failed, in May, 1893; that at that date they owed defendant as follows: The Citizens' Bank of Edwardsburg $806.34, and the Union Bank of Richland $1,319.32.

To recapitulate complainant's claim, it is insisted: (1) That it was entitled, upon the proofs, to the transfer of the stock as prayed. (2) That if defendant might, under the statute, claim a lien as against this stock, such lien was waived by the form of the stock certificate and defendant's by-law No. 12. (3) That the decree, in any event, is erroneous in so far as it adjudicates a lien as against complainant's stock. (4) That defendant is not entitled to a foreclosure of this alleged lien, and that the decree of the court below was in that respect correct. (5) That, assuming defendant had a *prima facie* lien on the stock, complainant is entitled to have the stock registered upon the books of the bank, subject to the lien, when established. It was held in *Michigan Trust Co.* vs. *State Bank of Michigan*, decided at present term (9 N. W. 645), that third parties purchasing stock of a registered holder could not compel a transfer of the stock upon the books of the bank issuing it, when it appeared, at the time of such demand of transfer, that the registered holder of such stock was liable as principal debtor, surety, or otherwise to the bank for any debt which should at that time be due and unpaid. In the present case it appears that the debt was due and unpaid at the time the demand was made; so this case upon that point is ruled by the case cited. The reasons are fully set out in that case.

The contention that registered holders are members of a co-partnership, and that the indebtedness is due from such co-partnership and not from the holders of the stock individually, has no force, as we must give some meaning to the term "or otherwise." The statute is plain, and covers all indebtedness, whether as principal

debtor, surety, or otherwise. The rule under such statutes, where a lien is created, is that the lien is a general one, and secures all debts, due from stockholders or firms of which they are members, even when the debts grow out of transactions not connected with their shares, and though the stockholders are but sureties for debts, and though they are created after the transfer without notice to the corporation. (28 Am. & Eng. Enc. Law, p. 698.) This doctrine is fully supported.

So we say of this statute it is broad enough to cover the indebtedness here claimed. We are of the opinion that it was the intent of the Legislature in the passage of this statute to create a lien upon the registered stock for all such debts; that when the debt matured and remained unpaid, and the stock remained in the name of the registered holder upon the books of the bank, he could not, and a third party could not, compel the transfer of the stock upon the books of the bank, until the lien was paid and discharged. This question was substantially disposed of in *Michigan Trust Co.* vs. *State Bank of Michigan* at present term (69 N. Y. 645).

It is not necessary to decide in this case whether a lien was created upon the stock when the debt to the bank arose; and we only hold that it became a lien when the indebtedness matured and remained unpaid; that at that time it became and was a prior lien over any lien acquired by a third party by transfer of the stock prior to that time. The party taking a transfer of bank stock must be held to know that it was subject to any debt at the bank where the stock is registered, and when that debt matures the bank has the right to enforce that lien. (*National Bank* vs. *Watsontown Bank*, 105 U. S. 220; 1 Cook. Stock, Stockh. & Corp. Law, § 530.)

We need go no further in the present case upon the facts proved.

PRESIDENT—POWER TO ADJUST CLAIM.

Supreme Court of Indiana, December, 16, 1896.

FIRST NATIONAL BANK OF INDIANAPOLIS *vs.* NEW.

Where a President of a bank is held out to the public as empowered to attend to all the business of the bank, he has authority to adjust a claim in favor of the bank by taking an assignment of a judgment, and such adjustment is valid if the agreement is afterwards carried into effect.

This was an action by the First National Bank of Indianapolis against John C. New upon a promissory note.

The defendant interposed as a defense, among others, that he had been discharged from liability upon the note by an adjustment under which a judgment against one John Hanna held and owned by him had been assigned to the bank.

HOWARD, *J.* (omitting part of the opinion): To enable appellee to succeed in his defense, it was necessary for him to prove (1) the parol agreement averred to have been made between him and the bank when he executed the note, according to the terms of which agreement he was to be relieved of all liability on the note as soon as he should assign to the bank the judgment referred to; and (2) that the agreement so made was carried out by the assignment of the judgment, and its acceptance by the bank in discharge of his obligation on the note. The evidence of the appellee is to the effect that the agreement made at the signing of the note was with William H. Morrison, then President of the bank. It is contended very earnestly that Mr. Morrison, as President, had no power to make such an agreement on the part of the bank, inasmuch as the making of such an agreement was out of the ordinary course of the business of the bank, and, consequently, beyond the scope of his agency as President.

Many extracts are made from the by-laws to show that the power claimed to have been exercised by him in making the contract was not given to the President. Numerous authorities, also, are cited to show that the President of a bank can not

have such power. It is true that, except as otherwise specifically provided in the charter, the business of a bank is in charge of its board of directors, and, without their authority to do so, the President can not bind the bank in any unusual manner, or in any undertaking lying outside of its customary routine business. (1 Morse, Banks, § 144.)

But, as said by the same text writer, such unusual authority to the President may be given, not only by a formal vote of the board of directors, but also "by the existence of such facts as constitute a public holding out, and warrant the public in believing that the undertaking is within the scope of his legitimate delegated authority." (*Id.* See, also, *National State Bank* vs. *Vigo Co. National Bank*, 141 Ind. 252, 40 N. E. 799; *Evansville Public Hall Co.* vs. *Bank of Commerce*, 144 Ind. 84, 42 N. E. 1097.)

In this case, as the evidence shows, and as also expressly stated in the third finding of the court, Mr. Morrison was held out to the public as fully empowered to attend to all the business of the bank. Those dealing with the bank were therefore warranted in believing that he was authorized to attend to such general business with the public as might be transacted by the directors themselves. That would, of course, include such an adjustment of a claim in favor of the bank as was contemplated in this case, provided only the agreement was afterwards carried into effect.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: ——, Jan. 22, 1897.

SIR:—On December 11, 1896, we received for collection and returns from a bank that we shall designate as M, a note on ——, for $1,223.32, due December 23, 1896. Their printed instructions read: "Protest all paper unless otherwise instructed." On December 21, 1896, M wired us as follows: "Hold without protest for fifteen days after maturity, note of ——, due December 23, $1,223.32, sent you December 8." We held the note until January 7, 1897, and then it not being paid and having no further instructions from M, we had the note protested. Now M says we had no business protesting the note and refuses to pay the fees. We presume the only question is the construction of M's telegram. What do you think about it?

ASSISTANT CASHIER.

Answer.—The language of the telegram was somewhat ambiguous. It might have meant that the note was not to be protested at maturity, or it might have meant that it was not to be protested at all. It is not perfectly clear that the bank sending the telegram intended that there should be no protest at the end of the fifteen days; and in cases of doubt the proper course is to protest, especially where the general instructions are, as in this case, to protest all paper unless otherwise instructed. It might very well have been that the indorsers consented to extend the time fifteen days, in which case there might be some question as to whether they were not discharged from liability if they were not given notice of the dishonor at the expiration of that time. Besides, the notary's certificate is evidence of demand and dishonor, and affords a very convenient mode of proving such fact.

Editor Bankers' Magazine: ST. CLOUD, Minn., Jan. 29, 1897.

SIR:—A party doing business with us, named A, owned a note made by B to order of C, endorsed by C to A. Note was made and dated at a small town reached by express company only. A brought the note to us to be sent for collection, stating that he wanted to send it to that town to either have it paid, get C to waive protest, or else have it protested. We told him the bank could not handle it as there was no bank at said town to whom we could send it. He then asked if we would not figure up the interest and send it by express for him, he being an illiterate man. We took the note, ten days before it was due, and sent it by express (without our endorsement or stamp on it) with the instructions he gave. We heard nothing further from note (although we made several inquiries of express agent about it) until thirty

days after it was due, when it was returned with a protest notice dated twenty-nine days after note was due, and a bill of fees and express charges. We returned note and papers to A. It appears from protest notice that maker of note was not a resident then of that town, and could not be presented with the note. Now, supposing no action had been taken by A to collect the note after it was returned to him, would this bank be liable in any way for the amount of the note; or supposing maker of note was not good, could any action be sustained against us whether we took the note as a regular collection or not? CASHIER.

Answer.—It appears from the statement of our correspondent that the bank did not undertake to make the collection; but, on the contrary declined to assume any such duty, and undertook merely to carry out the instructions of the owner of the paper, and sent it by express as directed by him. Under such circumstances, it is clear that the bank could not be held liable for any neglect on the part of the express company. Had the bank received the note for collection in the usual way, then it would be liable for the default of the express company, which would be deemed the agent of the bank, and not the sub-agent of the owner of the paper. (*Steeisguth* vs. *Nat. American Bank*, 43 Minn. 50.)

Editor Bankers' Magazine: REDFIELD, S. D., Jan. 27, 1897.

SIR:—A bank at D, remits us with other items for credit a check of K for $20, drawn on the Bank of F. We credit and send to our correspondent at M, who gives us credit for it and forwards a credit slip in the usual form, at the bottom of which is the following notice: "For the collection of all items payable outside of this city, the Bank of M will observe due diligence in its endeavor to select responsible agents, but will not be liable in case of their failure or negligence, or for loss of items in the mails." Some time after, the Bank at M writes us that K's check has been misplaced or lost, and asks for a duplicate, which we try by correspondence to secure, and so inform them. After waiting what seemed to the bank at M a sufficient time, they now write that they have charged the item to our account. Have they the right to do so, and if so, can we in turn charge it back to the bank at D? CASHIER.

Answer.—Assuming that the bank remitting would be bound by the notice on the credit slip sent by the bank at M, nevertheless, after the check had passed into the possession of the latter bank, such bank would be *prima facie* liable for the same, and the burden would be upon it to show that there had been no neglect on its part. It has no right to cancel the credit given for the check until it has shown itself to be without fault in the matter.

Editor Bankers' Magazine: OWEGO, N. Y., Jan. 25, 1897.

SIR:—A bank in New York State sends a note of $600 to a bank in Florida. The note was paid to the bank in Florida, which sent its draft on New York city, dated nine days before it was received by the New York State bank. The latter sent it to the New York correspondent, and it came back protested, the Florida bank having failed. Would not the Florida bank be considered an agent only, and be obliged to pay the amount of the note in full?

F. E. BROCKWAY.

Answer.—This would depend upon the form of the indorsement, or upon all the circumstances of the case, or the course of dealing between the banks. If the note was indorsed by the remitting bank "for collection," as was very likely the case, then it is clear that such bank is entitled to recover the proceeds as a trust fund, and is not required to prove its claim as a creditor of the Florida bank. (*Commercial Nat. Bank* vs. *Armstrong*, 148 U. S. 50; *Bank of Metropolis* vs. *First Nat. Bank of Jersey City*, 19 Fed. Rep. 658.)

Editor Bankers' Magazine: NEW YORK, Jan. 14, 1897.

SIR:—I notice in the December number of the BANKERS' MAGAZINE, page 678, that a decision was recently rendered in Iowa to the effect that a bank may charge against the account of an insolvent depositor any notes the bank may hold of said depositor, even though the notes may not be due. I would like to ask if this is not altogether a new ruling, and if there are any circumstances whereby the same action could be taken in this State?

SUBSCRIBER.

Answer.—The rule is not a new one, but has been applied in a number of cases. (See the cases cited in the opinion.) In this State it has been held that the rule will not apply where the depositor has made an assignment. (*Fera* vs. *Wickham*, 135 N. Y. 223.) If, however, the depositor is actually insolvent, but has not made an assignment, the rule of equitable set-off will apply. (*Lindsay* vs. *Jackson*, 2 Paige, Ch. 581.

BANKING AND COMMERCE IN CANADA.

QUARTERLY REVIEW OF THE CANADIAN BANK RETURNS.

The close of the year is always a time when what has been transacted during that period is likely to be reviewed, but as a review of the first three quarters has already appeared in these columns it will hardly be necessary to go beyond the October returns.

The September returns give indications of an active or slow season's business. This year the outlook was fairly promising and these indications were generally realized. When we compare the October figures with the same month a year ago we find a very satisfactory showing. The note circulation increased $3,302,974 over September and $1,284,122 over October, 1895. The October statement shows the amount $35,955,150. Deposits payable on demand increased during the month of October, 1896, $1,485,685. This refers to mercantile deposits merely deposited for convenience. Deposits payable after notice, most of which bear interest, increased during the same month $2,089,254, and during the year the total deposits increased over six millions. The total deposits in institutions under Government direction or control were on October 31 as follows:

Chartered banks	$192,838,305
Post-office and Government Savings banks	47,200,537
Province of Quebec Government Savings banks	14,300,091
Loan companies on December 31, 1896	19,945,943
Total	$274,284,866

The increase in deposits since 1892 is about twenty-seven millions. This is certainly not a bad showing when taken in consideration with the population of the country.

The amount due to banks and agencies in foreign countries and in Great Britain showed an unusual tendency. The latter recorded a falling off to the extent of $2,365,890. While formerly little change was noticeable, within the year the amount was reduced by over one-half.

The total liabilities at the end of October stood at $239,978,040, an increase of $5,167,437, and over the same month a year ago $2,607,844. Note circulation and deposits may be credited with this increase. The amount of specie and Dominion notes held by the banks at the close of the month was also slightly larger than shown at the close of September. Balances due from banks and agencies in foreign countries declined for the month $665,090, and during the year over one and a half millions, while balances due from banks and agencies in Great Britain show an increase during the month of $260,127 and during the year $5,542,249.

In municipal and other securities the changes are not great, but in railway securities the increase in investments was about one and a quarter millions.

Call loans on stocks and bonds are again recovering and have an upward tendency, but a reduction of $3,249,331 is noticeable since October, 1895.

Current loans on mercantile paper increased $4,200,189 during the month and stand at nearly twelve and a half millions more than last year. Overdue debts are favorable to a better showing. The total assets increased $5,248,155 during October, and over the same date a year ago $3,863,840.

STATISTICAL ABSTRACT OF CANADIAN CHARTERED BANKS—COMPARISON OF THE IMPORTANT ITEMS.

ASSETS.	*Dec. 31, 1896.*	*Nov. 30, 1896.*	*Dec. 31, 1895.*	*Increase and decrease for month.*	*Increase and decrease for year.*
Specie and Dominion notes	$23,819,000	$23,118,409	$24,202,379	Inc., $700,591	Dec., $383,379
Notes of and checks on other banks	9,016,940	9,441,263	9,115,065	Dec., 424,323	Dec., 98,125
Due from banks and agencies in foreign countries	16,743,355	18,230,126	17,897,593	Dec., 486,771	Dec., 1,154,238
Due from banks and agencies in United Kingdom	9,585,038	10,126,734	8,175,874	Dec., 541,696	Inc., 1,409,164
Canadian municipal securities and British provincial or foreign or colonial, other than Dominion	10,623,247	9,719,885	9,743,259	Inc., 903,362	Inc., 879,988
Railway securities	11,875,189	11,758,440	10,893,702	Inc., 116,749	Inc., 981,487
Loans on stocks and bonds on call	14,030,962	14,216,843	17,089,307	Dec., 185,881	Dec., 3,058,345
Current loans to the public	210,522,074	212,906,674	202,088,259	Dec., 2,384,600	Inc., 8,433,815
Overdue debts	3,988,746	3,979,866	4,412,237	Inc., 8,880	Dec., 423,491
Total assets	$329,692,255	$333,077,531	$322,184,801	Dec., $4,385,276	Inc., $7,507,454
CAPITAL.					
Capital stock paid up	$61,731,354	$61,425,769	$62,196,391	Inc., $5,585	Dec., $465,037
Reserve fund	26,670,799	26,438,799	27,665,799	Inc., 232,000	Dec., 995,000
LIABILITIES.					
Bank notes in circulation	$33,095,784	$35,262,599	$32,565,179	Dec., $2,166,815	Inc., $530,605
Balance due to Dominion Government	3,208,402	2,523,818	4,894,352	Inc., 684,584	Dec., 1,685,950
Balance due to Provincial governments	2,260,126	2,856,325	2,299,932	Dec., 596,199	Dec., 39,806
Deposits of the public payable on demand	70,529,211	70,051,597	67,452,397	Inc., 477,614	Inc., 3,076,814
Deposits of the public payable after notice	126,101,012	126,791,355	119,667,176	Dec., 690,343	Inc., 6,433,836
Deposits payable on demand or after notice between banks	2,644,940	2,751,050	2,959,409	Dec., 106,973	Dec., 314,469
Due to banks and agencies in foreign countries	341,530	169,207	219,541	Inc., 172,323	Inc., 121,989
Due to banks and agencies in the United Kingdom	2,834,450	2,346,270	4,326,912	Inc., 488,180	Dec., 1,492,462
Total liabilities	$241,828,840	$244,015,473	$235,238,020	Dec., $2,186,633	Inc., $6,590,820
MISCELLANEOUS.					
Directors' liabilities	$7,960,665	$8,019,857	$8,274,874	Dec., $59,192	Dec., $314,209
Greatest amount of bank notes in circulation at any time during month.	35,429,816	37,236,492	35,014,003	Dec., 1,833,676	Inc., 415,813

Deposit with Dominion Government for security of note circulation (amount required being five per cent. on average maximum circulation for year ending June 30, 1896), $1,846,218. The reduction in capital is caused by the Ontario Bank having reduced capital from $1,500,000 to $1,000,000.

The greatest amount of bank notes in circulation at any time during the month was nearly one million more than was required to conduct the business a year ago. So that taking the year 1896 altogether, Canadians had little to complain of. To the increased price of wheat much of the credit of better times has been given. Be that as it may, certainly October, 1896, made a respectable showing.

The November returns were late in coming to the public, but show a strong tendency to hold continuous trade The figures vary but little from October, but the changes are tending downwards. The crops by this time have been harvested and to a great extent sold, and the increased price of wheat kept the movement of money up. There will be, of course, a holding back by many expecting a still larger increase at a later date. It may be said that the Canadian Northwest has experienced better times and better future prospects than for many years. The decrease in bank notes in circulation was only $692,551. That is somewhat less than the average of former years.

It is gratifying to find that the November returns show notes in circulation $899,858 higher than at the end of November, 1895. Deposits continue to increase, the returns for the month under review showing a gain of over four millions; deposits payable on demand, $2,738,762; deposits payable after notice, $1,265,885, and during the year the increase has been over nine millions. The amounts due to banks and agencies in foreign countries and Great Britain declined nearly one and a half millions within the year, but owing to the accumulation of deposits liabilities show an increase of over four millions, and over five and a half millions during the year, and stand at the end of November, $244,015,473. Specie and Dominion notes declined, but notes and checks between banks increased largely, showing that activity in business prevailed.

A large amount additional found its way to foreign countries, the increase reaching $2,292,047, which lessens the amount for the year. But balances due from the same source in Great Britain, though not increasing during the month, foot up a large margin for the year.

As in the former month permanent stocks and debentures varied but little, but loans on stocks continued to increase. Current loans decreased for the month one and a quarter millions, but the yearly increase comes to nearly eleven millions. Overdue debts continue favorable and total assets show the steady growth of the banks' resources, which at the end of November had reached $333,077,531.

The greatest amount of bank notes in circulation at any time during the month was $37,236,492, being an increase over the prior month of $941,009 and during the year $1,038,723.

The figures for December, the closing month of the year, would be unusual for that month if showing other than a declining tendency. Whatever may be added to the circulating medium through the holiday trade is not sufficient to fill up the hiatus caused by the completion of the crop and produce movement. The close of navigation and the withdrawing of attention from active business by many during the greater part of the month tend to lessen expenditures, which is plainly but not unusually shown in the December figures.

The falling off of $2,166,815 in the amount of bank notes in circulation, though not unusual for this month, is a large quantity to be taken from active operation. However, it is gratifying to find the amount still over half a million above the figures of last year.

It is noticeable that the deposits, though having increased so largely during the year, have remained about normal during the month, demand deposits increasing, and those withdrawable after notice decreasing. It would seem as if the people withdrew cash for holiday use and after serving this purpose it was returned again for a future emergency. Indeed, little need be said in relation to the December

figures as they are so plainly set forth in the abstract. The figures given are an improvement on those of last year, and had it not been for the fear of a tariff revision, no doubt a better state of things would exist to-day. Importers bring in only what they are compelled to buy and in such quantities that there shall not be much on hand when the changes, whatever they may be, shall be put in operation.

The lack of sleighing throughout the month of December has also had its effect upon trade in Canada, as it has been an established rule for the farmers to hold back as much of their products as possible to be marketed after the sleighing puts in its appearance.

Condition of the National Banks of the United States.

RESOURCES.	*Dec. 13, 1895.*	*Oct. 6, 1896.*	*Dec. 17, 1896.*
Loans and discounts	$2,020,961,792	$1,876,591,716	$1,883,407,457
Overdrafts	20,587,345	16,677,123	17,752,653
U. S. bonds to secure circulation	210,479,500	237,201,650	239,346,340
U. S. bonds to secure U. S. deposits	15,358,000	15,793,000	15,868,000
U. S. bonds on hand	8,655,900	9,342,500	8,406,550
Premiums on U. S. bonds	16,608,340	17,629,994	17,641,942
Stocks, securities, etc	193,383,321	188,995,352	189,701,636
Banking house, furniture and fixtures	78,697,728	78,046,817	78,325,325
Other real estate and mortgages owned	25,574,482	27,408,155	27,736,020
Due from National banks (not reserve agents)	131,007,238	111,830,935	125,382,562
Due from State banks and bankers	33,341,627	29,583,290	32,141,784
Due from approved reserve agents	203,002,116	190,077,533	219,966,660
Checks and other cash items	12,999,318	13,913,129	13,188,402
Exchanges for clearing-house	86,557,507	76,760,416	84,976,088
Bills of other National banks	17,114,290	18,055,536	18,583,392
Fractional paper currency, nickels and cents	925,289	966,835	925,400
Lawful money reserve in bank, viz:			
Gold coin	113,843,400	114,921,270	118,631,060
Gold Treasury certificates	20,936,030	19,706,620	19,192,210
Gold clearing-house certificates	33,465,000	26,096,000	43,197,000
Silver dollars	6,984,382	6,721,871	6,975,625
Silver Treasury certificates	25,878,323	28,057,695	32,144,649
Silver fractional coin	5,605,274	5,305,176	5,400,174
Legal-tender notes	99,209,423	110,494,730	118,893,612
U. S. certificates of deposit for legal-tender notes	31,440,000	31,840,000	37,080,000
Five per cent. redemption fund with Treasurer	9,194,625	10,373,622	10,411,548
Due from U. S. Treasurer	1,744,071	1,209,333	1,889,686
Total	$3,423,534,328	$3,263,685,313	$3,367,115,772

LIABILITIES.			
Capital stock paid in	$656,956,245	648,540,325	647,186,395
Surplus fund	246,177,563	247,690,074	247,339,567
Undivided profits, less expenses and taxes paid	94,501,758	88,652,759	95,792,537
National bank notes issued, less amount on hand	185,151,344	209,944,019	210,689,965
State bank notes outstanding	63,504	60,303	60,393
Due to other National banks	302,721,578	269,043,386	317,860,025
Due to State banks and bankers	167,302,670	146,058,794	168,635,982
Dividends unpaid	1,091,869	1,665,571	962,120
Individual deposits	1,720,550,241	1,597,891,058	1,639,688,393
U. S. deposits	9,699,120	11,091,241	11,822,671
Deposits of U. S. disbursing officers	4,059,468	4,080,236	3,597,205
Notes and bills rediscounted	11,359,771	14,881,063	8,099,591
Bills payable	20,492,304	20,431,426	12,805,832
Liabilities other than those above stated	3,405,889	3,654,963	2,585,271
Total	$3,423,534,328	$3,263,685,313	$3,367,115,772

THIRTY YEARS OF WAR CURRENCY.

[From an address by William C. Cornwell, President the City Bank, Buffalo, at the banquet of the Boston Merchants' Association, Boston, January 15, 1897.]

Apparently all conditions are favorable for prosperity at this time. And yet, notwithstanding all this, Europe will not deal in our securities except on speculation, that is by buying and selling one day and selling and buying the next. In other words, Europe does not yet invest and prosperity has not yet come.

Unsound Currency Delays Prosperity.

The trouble is that we have not yet settled the silver question—we have not made secure beyond doubt a permanent gold standard. We have made a great popular declaration which is a first and most important step, but it is not enough. The underlying reason for continued uncertainty is our unsound currency, and until this is remedied we cannot hope for solid prosperity.

The channels of trade are filled with a currency which in principle is unscientific and unsound—currency of a kind which was first emitted in the dark days of the republic under the pressure of an advancing enemy and an empty treasury, but which was condemned even then, with tremendous energy, by the sound and patriotic statesmen of that great day.

"The notes to be emitted will be lepers in the commercial world from the hour they are brought into it," was Roscoe Conkling's prophetic condemnation.

Before this, through the struggles of nearly a century, paper fiat money had been strictly avoided. Poor and weak as the nation was in 1812, it had gone through that war without resort to it. And in 1862, rich and strong, the great mistake was made of reliance upon legal tender. In spite of strenuous opposition, the bill passed. It authorized the issue of $150,000,000 of greenbacks. It passed with solemn assurance on the part of those who advocated it that it was only temporary—a first offense, and that we dare not repeat it. Not three months later another issue of $150,000,000 was made, with little opposition, and not long after still another.

As a result of the legal tender forced loan, the currency of the nation sank in value, slowly but surely, and for seventeen years was the football of speculation. For eleven years there was a mad carousal of inflation and high prices and, in 1873, a disastrous settling day. Millions and millions were wiped out and six long years of hard times ensued.

During this period earnest attempts were made to retire and cancel the legal tenders. Retirement was twice begun and as quickly stopped by the cry of the rag money contingent. And when, in 1879, we safely accomplished resumption, this illegitimate expedient of war, the greenback, became the corner stone of our monetary structure, and to-day the parity with gold of all the other of the millions and millions of American values depends upon the parity of the greenback.

The $346,000,000 greenbacks in circulation were forbidden to be cancelled, and ordered to be paid out whenever taken in. Backed as they were by the $100,000,000 reserve and many more millions in the Treasury and by the expanding credit and growing wealth of the nation, their true character was hidden and they became beloved of the people. Like many other popular idols, however, they were unworthy of the confidence placed in them. They are just as false in principle to-day as when, at their birth, they received the hesitant acceptance or open denunciation of the statesmen of war times. False friends in prosperity, they have proven bitter enemies when revenue was declining and confidence was ebbing. Their fierce attacks upon the gold reserve have three times in three years brought us to the brink of insolvency, and they lurk to-day, behind more favorable conditions, ready at any time to renew the fearful operations of the endless chain.

There is under our remarkable system only one place in the United States where gold can surely be obtained. That place is the United States Treasury. The greenback demand note payable in gold, once paid, must be paid out again, each time clutching the gold and depleting the Treasury.

All the fatal machinery for depleting the gold reserve is still in splendid working order. Since the resumption of specie payments up to the present time, every dollar of the whole

issue of greenbacks has been paid once in gold, and one-third of the issue has been paid twice, and yet the whole amount is still in existence.

A great popular election has declared unmistakably for a gold basis, but nothing thus far has been done to assure such a basis. We are still at the edge of the precipice. All the evil forces still exist to push us off.

Our dependence to-day, after more than thirty years, is still upon the old war currency; upon a small issue of over-secured and rigid National bank notes, the outcome of war needs and an enormous Government issue, partly fiat silver intrinsically worth fifty cents on the dollar, and partly fiat paper which is constantly threatening the gold reserve and checking confidence. No thinking citizen can doubt, in view of the facts presented, that something should be done with our currency.

Currency Reform.

I believe that the plan of reform should be presented by an expert commission of the highest ability obtainable. I am confident that such a body of men would have little difficulty in agreeing promptly as to the main points, and in soon arranging details. There can be no harm, however, in considering at this time the principal features of reform.

There is, I believe, but little difference of opinion among earnest thinkers on the question as to what should be done first. Practically all are agreed that the greenbacks and the Treasury notes should be retired. Many people ask the question, "Why cannot a great Government with unlimited resources for taxation best maintain the note issue, which affects the daily life of the people?"

The Government bank has no depositors and cannot get its notes into circulation through depositors as business needs them. It has no automatic method of getting information as to how much money is needed by trade, and could not act upon it if it had. The Secretary of the Treasury, ostensible manager of the bank, has his hands tied. The Government currency once out, stays out. It drifts away from the towns of the West and South to the great cities of the East, and stays there to breed speculation from unnatural plenty, while the farmers and traders of the prairies and cotton fields are suffering from contraction.

Out of this agony of contraction and starving scarcity of money goes up the cry (and it is an honest cry) for more money.

Do you think you have quieted the cry for more money? It never will be quiet until these people with a legitimate want have that want supplied in a legitimate way. What are we going to do about it? Is there no way of meeting this demand?

Sound Way to Meet It.

There is only one sound way to meet it and that is through the bank note based on the general assets of the bank, and not on specially deposited bond security, as is the case with National bank notes.

Our National bank notes lack the vitalizing element of a good bank note—that of daily redemption. Being secured by a special deposit, and over secured at that, nobody ever takes the trouble to redeem them, and the fine character which the redemption test gives is lost.

Inflation rushed them up to $360,000,000 when Congress set a limit. After that, lack of profit rushed them down to $120,000,000, and contraction of the currency would have been the result if the fiat silver dollars had not taken their place.

We need in this country a currency especially sensitive in the quality of elasticity, besides being absolutely secure. On account of great field and forest production, we require at certain seasons of the year a rapid and substantial increase in our medium of exchange, the volume of which should, to avoid inflation, as rapidly shrink when the need is past.

The currency of a country should be based upon actual possessions, upon wealth, not upon public debt, such as Government or State bonds. Commerce itself furnishes a perfect basis for itself under natural laws. Sound commercial banks are the custodians of the products of the labor of the people, and these products represent mainly all there is of wealth in a nation. The experience of the last fifty years among nations of high civilization proves that commercial assets, the representatives of these products, are the highest form of security for note circulation.

Notes issued by properly capitalized and inspected banks to the extent of a proportion (possibly in the future the whole) of their paid-up capital and made a first lien upon these commercial assets, have behind them the only true scientific basis for circulation in a country like ours—the basis being the product of the energy, the muscle and brain of our people. Trade consists in the exchange of these products. Banks are the natural facilitators of such exchange. They hold, in short bills receivable, the paper representatives of the products themselves. As by the increase of products, trade increases, so scientifically and naturally there is provided in an increase of assets a larger basis for note circulation. The means then to move the crops, that operation which produces the great annual money-squeeze in this country, is furnished by the crops themselves. What better basis for bank notes can be

created than these quick assets, the sixty and ninety day bills of millions of people. These are the things that are paid in panics when everything else is in default.

The volume of such bank notes is absolutely regulated by trade, and no more of them can stay out than trade needs. Let us examine this operation. The bank issuing its own notes depends upon its business depositors or borrowers to take such of its notes as they need in their business. They in turn pay them out and the notes go the rounds until deposited in some other bank. All bank notes received by other banks, under this system, are treated just as though they were checks.

That is, any bank getting the notes of another bank will promptly send them in, every day, and get the money for them, so as to be prepared to meet its own notes, which it is continually seeking to put out. But it will not dare to put its own notes out beyond its power, daily, to redeem them.

The increase in the number of bank notes is regulated, consequently, by the requirements of trade, and the desire of the banks to get their own notes out because of the profit there is in them—the interest there is on them when they are out.

The decrease is effected by the pressure brought to bear by other banks who, striving to force their own notes out, send the notes of other banks in, and the total amount kept out can thus never be more than trade actually requires. The regulation of volume is automatic. There can never be inflation. There can never be contraction. When the crops are to be moved, the money will come out to move them. When the operation is over with, the bank currency returns as silently as it came. The whole movement is like the rise and fall of the resistless tide.

As far as security is concerned the statistics of the Comptroller's office show that if every National bank in the United States since the inception of the system had issued against assets the currency which it did issue against bonds, and a guaranty fund much smaller than the one proposed hereafter had been maintained, every dollar of notes of failed banks would have been redeemed in full throughout the whole period.

Graft this principle upon the national system, which is great in every quality except that of circulation. Abolish or reduce the tax on circulation. Drop the United States bond special security—adopt the general security principle, which is in such successful operation in Canada, making the note a first lien on all assets, including double liability of stockholders, limiting its issue to a percentage of capital with a five per cent. guarantee fund maintained. All notes to be printed by the Government as now; all notes to be redeemable daily in gold, by the banks themselves, and through redemption agencies at the financial centers throughout the United States.

The question of whether all banks, small as well as great, should issue currency, is one to be carefully considered. My own opinion is that only banks of large capital should issue notes and should have branches so that the smaller towns would get the fullest benefit. The idea put forth by Mr. B. E. Walker of the Canadian Bank of Commerce at our New York State Bankers' meeting seems to me exceedingly fit; namely, to allow all banks of not less than $1,000,000 capital to issue notes, and also to have branches, but such branches to be located only in the State in which the head banks are respectively established; banks, however, with $10,000,000 capital and with head offices in New York city to be allowed branches in all parts of the Union.

By pledge of general security, the principle of elasticity thus scientifically carried out, under the fire test of daily redemption, would suppress inflation and foster enterprise in the South and West as well as in the North and East. Rates for money would be equalized and lessened, and new regions would be constantly developed. The immense saving of interest by this method would, eventually, benefit the whole people.

Branches established in the small communities would, even without deposits at first, begin at once to develop the region covered. It would not be necessary to wait for deposits, as the bank notes could be loaned out at once on good security. Crops could be grown and cattle fed and goods conveyed to market by this means in communities where now they are barren of money and enterprise is stagnant. The people benefited would soon learn to deposit money, and thrift and wealth would follow. Without the note-issuing and branch system such things are almost impossible. The dearth of money and credit in these far-off communities would be banished, populist fallacies would diminish, and the cry for free silver would die out.

Instead of a war currency, devised not for the purposes of trade, but to appease the sharp tooth of gaunt necessity, and clung to long years after the least excuse for its existence had vanished—a currency clumsy, inadequate, unscientific and dishonest, partly founded upon a war debt, but mostly the debt itself made legal tender—or added to in kind and variety as the years went by—all of it unsuited to our needs; instead of all this, we should have at last a currency secure, elastic, uniform and convertible into gold on demand, and Commerce in the United States would once more confidently resume her sway.

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

COMMONWEALTH OF MASSACHUSETTS.

OFFICE OF THE BOARD OF COMMISIONERS OF SAVINGS BANKS,
STATE HOUSE EXTENSION, BOSTON, Jan. 9, 1897.

To the Honorable the Senate and House of Representatives in General Court assembled:

The Board of Commissioners of Savings Banks, in accordance with the provisions of statute, respectfully submits its twenty-first annual report, relating to the condition of the institutions under its supervision. The number of such institutions is at present 350, with aggregate assets of about $617,000,000.

Part I., herewith submitted, gives the statistics and condition of the following institutions, viz.:

One hundred and eighty-seven Savings banks and institutions for savings, with assets of $481,995,826.

Thirty-two trust companies, with assets of $110,372,753.

Two trust companies in hands of Receivers.

Three Savings banks in hands of Receivers.

Since date of last report, two Savings banks, one trust company and three co-operative banks have commenced business.

The Malden Trust Company and the Worcester Collateral Loan Association having begun business since October 31, the date on which the annual returns of the various institutions are made up, no returns of these institutions are submitted.

INSTITUTIONS CHARTERED BUT NOT YET COMMENCED BUSINESS.

The Dorchester Safe Deposit and Trust Company, Boston.
The Fidelity Trust Company, Boston.
The Fitchburg Loan, Trust and Safety Deposit Company, Fitchburg.
The Hyde Park Trust Company, Hyde Park.
The Pynchon Safe Deposit and Trust Company, Springfield.

DIVIDENDS.

The following table shows the rates of dividends paid during the year, in comparison with those paid during the year ending October 31, 1895:

Dividends Paid during the Year ending October 31, 1896.								*Increase.*	*Decrease.*
3*	Savings banks paid at the rate of				3	per cent	.....	2	....
5	"	"	"	"	3½	"	.....	No change.	
2	"	"	"	"	3¾	"	.....	2	....
157†	"	"	"	"	4	"	.....	....	1
1	"	"	"	"	4⅛	"	.....	No change.	
7	"	"	"	"	4¼	"	.....	5	....
10	"	"	"	"	4½	"	.....	....	3
1	"	"	"	"	4¾	"	.....	1	....
No	"	"	"	"	5	"	.....	....	2
No	"	"	paid an extra dividend				.....	....	2

*Including the Bay State Savings Bank, Worcester, which having recently commenced business, paid only one dividend (1½ per cent.) during the year.

†Including the Dorchester Savings Bank, which having recently commenced business, paid only one dividend (2 per cent.) during the year.

The Newton Centre Savings Bank, which commenced business during the year, has not declared any dividends.

The total amount of dividends declared was $16,835,008—an increase of $809,114 over the previous year, notwithstanding the fact that in 1895 extra dividends were declared to the amount of $121,826, whereas during the past year no extra dividends have been declared.

Aggregate Statement of Liabilities and Assets, Showing Increase or Decrease, as Compared with the Year ending October 31, 1895.

Liabilities.

Classification.	Amount Oct. 31, 1896.	Increase.	Percentage of increase.
Deposits	$453,220,257.27	$13,950,896.12	3.18
Guaranty fund	19,044,522.24	982,979.76	5.44
Undivided Earnings	9,561,199.07		
Due on incomplete mortgage loans	93,138.12	685,727.87	6.99
Sundry liabilities	76,709.77		
Total	$481,995,826.47	.....	.....

Assets.

Classification.	Amount Oct. 31, 1896.	Increase.	Decrease.	Percentage of Investments to Total Assets.
Public funds	$69,460,753.99	$1,633,327.53	.....	14.41
Loans on public funds	2,176,378.65	816,847.00	.....	.45
Bank stock	28,435,186.88	.....	$558,732.30	5.90
Loans on bank stock	2,004,349.63	129,052.37	.....	.42
Railroad bonds	49,379,499.05	902,946.82	.....	10.24
Loans on railroad bonds	240,550.00	36,200.00	.....	.05
Loans on railroad stock	1,001,282.84	170,682.84	.....	.21
Railroad notes	3,245,000.00	2,795,000.00	.....	.67
Real estate for banking purposes	4,048,965.63	224,564.50	.....	.84
Real estate by foreclosure	1,813,083.13	273,892.37	.....	.38
Loans on real estate	201,985,142.39	8,656,307.35	.....	41.91
Loans on personal security	91,793,373.27	2,046,886.91	.....	19.04
Loans to counties, cities or towns (notes)	10,174,142.31	.....	1,087,599.92	2.11
Loans on depositors' books	44,997.05	.....	8,947.20	.01
Sundry assets	575,799.04	70,271.76	.....	.16
Expense account	183,927.63			
Cash on hand:—				
In banks, on interest $13,253,990.28				
In banks, not on interest 509,479.45				
In office 1,669,973.25				
	15,433,442.98	.....	436,496.28	3.20
Total	$481,995,826.47	.....	.....	.....

The total number of open accounts by which the aggregate deposits of $453,220,257 are represented is 1,340,668,—an average to each account of $338.06; the previous year the average was $337.25 and the number of accounts was 1,302,479.

The number of deposits made during the year was 1,225,089 and the sum deposited was $78,916,530; as compared with the previous year, there was an increase of 10,918 in number of deposits made and a decrease in the amount deposited of $1,851,988.

The average sum deposited during the past year was $64.42,—a decrease of $2.10, as compared with the year before.

These figures make it appear that the banks continue to be the depositories of people of limited means, and also indicate that such people have not been able to lay by so much as they did the previous year.

The number of withdrawals during the year was 1,050,329 and the amount withdrawn was $81,751,390,—an average to each of $77.83; an increase of 88,124 in number, of $7,441,605 in amount and of 60 cents in the average.

The amount withdrawn exceeded the amount deposited by $2,834,880.

In 1893, the year of the panic in financial circles, the withdrawals exceeded the deposits by over $6,000,000; with this exception, the past year is the only year since 1879 when the deposits have not exceeded the sums withdrawn.

Taking into account the assets and liabilities of the Brookfield Savings Bank and the Millis Savings Bank, statements of which banks were included in our last, but which are omitted in the present report (both banks being in the hands of a Receiver), the aggregate

deposits show an increase of $14,008,756 and the total assets an increase of $15,626,534, a compared with last year.

During the year ending Oct. 31, 1895, the increase in deposits was $22,491,843 and the increase in assets was $24,085,457.

Increase in Aggregate Deposits.

From the following statement it appears that the increase in aggregate deposits is not as large in the banks located in Boston as in those located in other parts of the Commonwealth.

Sixteen banks in Boston, holding 31.41+ per cent. of the aggregate deposits, show only 25.77+ per cent. of the total gain.

Fifty-nine banks in cities other than Boston, holding 45.59+ per cent. of the aggregate, show a gain of 48.47 per cent. of the total gain.

One hundred and twelve banks in the towns and villages, holding 23.00+ per cent. of the aggregate, show a gain of 25.76+ per cent. of the total gain.

Investments.

A reference to the statement of assets will disclose the fact that the net increase in investments is covered by the items of public funds and loans thereon, of railroad bonds and railroad notes, and loans on real estate, all of which are generally estimated by conservative, careful investors as among the safest.

The increase of $273,892 in real estate held by foreclosure is not a pleasing exhibit, but the amount is perhaps no larger than was to be expected, in view of the large amount of loans which are held by the banks and the depression in business.

The ratio which this item bears to the aggregate assets is about three-eighths of one per cent., being about the same proportion as existed in 1891, 1892 and 1894, but considerably exceeding the ratio in 1893, when it was about one-fourth of one per cent.

The investment in bank stock is reduced from last year in the amount of $553,732.

During the year 35 banks bought an aggregate of 1,670 shares of bank stock, 15 banks sold an aggregate of 1,055½ shares of bank stock, and the reduction of capital in several associations eliminated 5,797⅜ shares.

Loans on personal security show an increase of $2,046,836; notwithstanding this, the aggregate amount is a smaller per cent. of the total assets than has been the case in any year, with one exception (1894), during the past ten years.

The following table shows a comparison of this item with the return of a year ago: from this it will be observed that a slightly larger proportion is supplemented by collateral than in the previous year:

	1895.	*1896.*
Amount loaned on personal security, with collateral	$44,352,154.00	$45,573,539.58
Amount loaned on personal security, without collateral	45,394,382.36	46,219,833.69
	$89,746,536.36	$91,793,373.27

The items of cash on hand and on deposit in National banks show a decrease as compared with the previous year of $436,496; these items amount in the aggregate to $15,433,442, which is 3.20 per cent. of the entire assets of the banks; the percentage for the preceding four years was as follows, viz.: In 1892, 3.35; in 1893, 3.43; in 1894, 4.04; in 1895, 3.46.

These facts would seem to effectually disprove the current idea that the banks were hoarding money just previous to the national election.

Banks Connected with Other Institutions.

Of the thirteen banks incorporated within the past seven years, at least six have been established in the rooms, or directly connected with the business rooms, of other financial institutions.

When the charters of some of these banks were applied for, it was distinctly stated to the committee on banks and banking that they were not to be in any way connected with another financial institution; this statement was no doubt made in good faith, but subsequent developments caused the parties interested to change their minds as well as their plans, and the banks were established under conditions which, if foreseen by the committee, might have caused it to make an adverse report on the petitions.

It is a well-established opinion among business men generally that no two moneyed institutions should conduct their business in the same room and with the same active officers; experience, however, not only in this Commonwealth but elsewhere, has demonstrated that it is impossible to procure legislation looking to the separation of institutions already connected. We believe, however, in the light of recent occurrences, that an Act should be passed prohib-

iting any bank hereafter incorporated from occupying rooms in any way connected with another bank or trust company.

The founders of the excellent Savings bank system of this Commonwealth intended that the banks should be the safe, trusted depository of the poorer classes, who had no other means of investing their savings: it was not expected banks would be incorporated to boom towns or villages, to furnish a position for some one not otherwise employed, as a channel for placing loans or securities, or to help out the business of some other institution.

When it is proposed to start a Savings bank in a place where a sufficient number of public-spirited men of good judgment and some financial experience cannot be found who are ready to aid in defraying the expenses of starting a bank, and willing thereafter to devote the required time, without compensation, to its management, it is the opinion of this board that a Savings bank in that locality is not called for.

Business of the Banks.

The annexed statement gives in tabulated form the statistics of the business of the banks for the year, and also shows the increase or decrease in the several items, as compared with the previous year:

	Oct. 31, 1896.	*Increase.*	*Decrease.*
Number of open accounts	1,340,668	38,189	.....
Average amount to the credit of each account	$338.06	$0.81	.....
Number of deposits	1,225,099	10,918	.....
Number of withdrawals	1,050,329	88,124	.....
Amount deposited (not including dividends)	$78,916,530.70	.....	$1,851,948.19
Average of deposits	64.42	.....	2.10
Amount withdrawn (including dividends)	81,751,390.90	$7,441,605.14	.....
Average of withdrawals	77.83	.60	.....
Amount of expenses	1,134,581.43	53,969.73	.....
Total earnings	21,798,078.08	1,201,854.86	.....
Total ordinary dividends	16,835,008.38	980,941.65	.....
Total extra dividends	None.	.....	121,838.71
Number of loans on an amount not exceeding $3,000	64,170	2,370	.....
Number of loans upon real estate security	72,656	2,736	.....

Trust Companies.

At the last session of the General Court four companies were incorporated, only one of which, the Malden Trust Company, has commenced business.

In the case of that company the board holds the sworn certificate of its officers that the capital stock was duly paid in in cash, but as stated elsewhere no report has yet been required of the company.

The provisions of chapter 413 of the Acts of 1888, relating to trust companies, are that "no business shall be transacted by the corporation until the whole amount of its capital is subscribed for and actually paid in;" there is no provision, however, requiring proof of this having been done, and we would recommend that no company hereafter be allowed to begin business until it has lodged with this board a certificate of its organization and the payment of its capital, and received the authorization of the board.

Under the provisions of the statute regarding Savings banks, the officers of such institutions are required to be sworn; no such provision, however, exists in the law regulating the business of trust companies, and it is suggested that an amendment thereto be adopted, requiring the officers to be sworn for the faithful discharge of their duties.

The added experience of another year serves to intensify the board in its belief that too many trust companies have been incorporated within the past few years.

Of the 32 companies now doing business in this Commonwealth, only 11 have established a trust department, most of the others doing a business almost identical with that of National banks.

As the law stands at present a trust company when incorporated may organize with a capital of $100,000, an amount so small that it is comparatively easy to obtain; the managers of one of these small companies can then secure control of, or enter into business arrangements with, one or more equally small National banks, at greater or less distance from the place where the trust company is located, and thus succeed in floating securities, in "kiting" checks, or in other irregular business which cannot be readily discovered, or when discovered not readily traced, owing to the fact of the two classes of institutions being under different supervision; the National bank examiners not being able to trace transactions through the trust companies, nor this board those through the National banks. This fact opens an element of danger to both classes of institutions.

The provisions of the State law regarding the business of trust companies are more liberal than are the provisions of the National law in relation to banks; hence, no doubt, the many applications for the incorporation of trust companies.

The legitimate business of a trust company requires a large capital and a broad field of operations, which can be found only in the principal financial centres, and in such localities the ground is already well covered.

In localities where legitimate business requires additional banking capital, all the facilities required can be obtained by an organization under the National Banking Act; and this board becomes every day more decided in its opinion (frequently heretofore expressed) that, if the Commonwealth is to maintain the stability and high standing of its moneyed institutions no more small trust companies (which are merely State banks) should be incorporated.

The board, therefore, again recommends that the law regarding trust companies be amended, and the minimum of capital be fixed at $500,000.

STARKES WHITON, WILLIAM D. T. TREFRY,
WARREN E. LOCKE,
Board of Commissioners of Savings Banks.

STATE OF MAINE.

To the Honorable Henry B. Cleaves, Governor, and the Executive Council of the State of Maine:

In compliance with the provisions of law, I have the honor to present the fortieth annual report of this department, relating to the condition of the institutions under my supervision.

The total number of these institutions in the State at the present time is 104, divided as follows: 52 Savings banks; 18 trust companies; 34 loan and building associations.

The aggregate amount of assets held by these institutions on the seventh day of November, 1896, was $70,459,586, while that reported for the twenty-third day of November, 1895, was $68,477,226, an increase of $1,982,359 during the official year.

The total assets of the National banks now doing business in Maine, including their deposits and circulation, as shown by the report of the Comptroller of Currency for 1895, are $36,941,561. This makes the entire banking capital of the State $107,401,147. It will be seen from these figures that the capital invested in our State banking institutions is nearly twice that of the National banks located in Maine. The importance of these State institutions becomes at once apparent from the fact that the amount of their assets is more than one-fifth as much as the entire State valuation.

The continued prosperity and growth of our banking institutions, under the trying conditions of the past year, more than ever demonstrate the confidence the public has in them, and the firm basis on which they are established.

The banks to a great extent represent the capital of a community. Capital is the potent influence that controls all business affairs; it can not be created by any provision of law, but it may be dissipated by unwise legislation. It is invested only where there are assurances of its safe return, and those who control it are quick to see dangers that threaten, and to protect themselves by withdrawing it from business.

I commend the management of all the institutions under the supervision of this Department, for the skill with which they have conducted affairs during these trying times, and congratulate them and all interested on the bright outlook for the future.

SAVINGS BANKS.

The history of these institutions is one of much interest, being closely interwoven with that of the commercial growth and business prosperity of our State. With the exception of the years 1876 to 1879, they have constantly increased in the number of depositors and amount of deposits.

The following table shows the number of banks, the number of depositors, the average amount for each depositor, and the average for each inhabitant in the State for each period of ten years from 1866 to 1896.

	1866.	*1876.*	*1886.*	*1896.*
Number of banks	18	60	54	52
Number of depositors	19,786	90,621	114,601	163,115
Amount of deposits	$3,946,433.82	$27,818,764.70	$37 215,071.40	$57,476,895.88
Average for each depositor	199.45	306.97	324.48	352.37
Average for each inhabitant	6.28	44.37	57.37	86.94

This remarkable and almost uninterrupted increase in the number of depositors and amount of deposits during this period, is an evidence of the industry and thrift of our people.

DUTIES.—The most important duty of a Savings bank is to encourage economy amongst our people, and thereby not only add to the wealth of the State, but to the comfort and future welfare of depositors. It is for this purpose that our State has established a system of Savings banks, just as it has schools to educate the young, hospitals to care for the sick, and asylums to protect the unfortunate. As well might the school cease to educate, the hospital to care for the sick, or the asylum to receive the unfortunate, as for a Savings bank to cease encouraging the savings of the small sums that those of moderate circumstances are able to set aside for future use.

No Savings bank should refuse deposits of this kind, however much difficulty it may have in profitably investing them, or however much additional expense and labor may thereby be incurred. Should it fail in this respect, it has failed to accomplish the chief end for which created. It is the duty of the banks, not only to receive all deposits of this class that are offered, but they should, by every method that may suggest itself, encourage them, and thus fulfill the purpose for which established.

A few thousand dollars thus saved each year, that would otherwise have been wasted, will in time add materially to the wealth of our State and to the comfort of our people. On the other hand, accumulating the capital of the wealthy in our Savings banks would be of no special advantage to the public, and might be a positive injury by thus withholding it from legitimate business enterprises.

SAVINGS BANKS—COMPARATIVE STATEMENT.

The following table shows the condition of our Savings banks on November 7, 1896, as compared with that of November 23, 1895.

RESOURCES.	*1895.*	*1896.*
United States and District of Columbia bonds	$4,128,800	$5,262,950
Public funds of Maine	845,538	895,029
Public funds out of Maine	15,426,223	14,308,960
Railroad bonds of Maine	4,434,008	4,449,707
Railroad bonds out of Maine	11,130,043	11,230,488
Corporation bonds of Maine	3,312,292	3,233,799
Corporation bonds out of Maine	434,582	537,454
Railroad stock of Maine	582,359	600,534
Railroad stock out of Maine	385,853	421,073
Corporation stock of Maine	377,942	411,976
Corporation stock out of Maine	118,770	116,971
National bank stock of Maine	2,399,819	2,439,549
National bank stock out of Maine	226,483	185,875
Other bank stock of Maine	87,720	112,850
Loans on collateral	4,240,745	4,635,095
Loans to corporations	1,212,379	1,389,585
Loans to municipalities	213,072	283,261
Loans on mortgages of real estate	7,267,979	7,363,660
Real estate	979,926	1,087,086
Furniture and fixtures	35,611	38,368
Premium account	465,778	469,456
Expense account	16,044	14,153
Other resources	43,980	42,495
Cash	1,009,800	1,344,047
Total resources	$59,365,755	$60,719,379
LIABILITIES.		
Deposits	$56,376,143	$57,476,805
Reserve fund	1,979,925	2,081,042
Special reserve fund	47,465	55,597
Undivided profits	921,684	1,103,350
Other liabilities	40,536	52,498
Total liabilities	$59,365,755	$60,719,379

Number of depositors	160,216	163,115
Number of depositors whose balance is less than $2,000	156,120	158,855
Amount of same	$45,986,608	$46,627,233
Number of depositors whose balance is $2,000 or more	4,096	4,260
Amount of same	$10,389,540	$10,849,662
Average rate of dividend (approximate)	.0379	.0372
Amount of dividends paid	$2,064,443	$2,096,927
Municipal taxes paid	16,332	17,510
State tax	387,595	381,208

It will be seen from the above that the number of depositors has increased 2,899, and the amount of deposits, $1,100,751 during the period covered by this report.

The aggregate of reserve and undivided profits now amounts to $3,134,393, being an increase of $232,783 over that of 1895. This is an amount about equal to five and one-half per cent of the deposits.

The average balance now standing to the credit of depositors is $352.37, an increase of $0.50 over that of last year.

There are about forty thousand more depositors in our Savings banks than the total number of votes cast at our gubernatorial election.

It also appears from the annual examinations of these institutions, that the estimated market value of their resources above all liability for deposits, earned dividends and State tax, is $6,029,946.

INVESTMENTS—The increase in investments during the year has been largely confined to Government bonds, although there has been an encouraging increase in the amount of loans and investments in Maine.

The favorable price at which Government bonds could be purchased, and the fact that they are exempt from taxation, have led the banks to invest freely therein during the past two years. The net income from these investments is small, but their absolute safety and the fact that they give quick assets, make them especially desirable for the banks to hold.

The present amount of loans and investments within the State of Maine held by the Savings banks is, approximately, $26,164,585, while that of 1895 was $25,365,284. It thus appears that the banks now have a larger percentage of their funds invested in Maine than ever before. This is due in some degree to the difference in the rate of taxation upon investments made at home and those made out of the State, but also to the fact that trustees are now, more than ever before, disposed to invest near home, so that they can make a personal examination, or get some reliable information regarding the value of the security taken.

During the past six months the banks have been carrying a large amount of cash on hand and on deposit, not only to guard against any panic that might result from the agitation of the currency question, but also because of the feeling of uncertainty as to the future value of securities. That condition of affairs has passed, and the necessity again comes for the banks to invest their funds.

In making investments the trustees of different institutions should not only strictly comply with the provisions of law, but should also carefully investigate as to the value of every security before it is purchased. No loan or investment should be made unless the trustees have the fullest confidence in the security, and as a rule only when they are unanimously in favor of it. Trustees cannot afford to make themselves personally responsible for losses that may occur on loans and investments not authorized by statute. They should seek conscientiously to do their duty within the limits prescribed by the law, invest the funds of the banks where they feel confident they will be absolutely safe, and then pay such dividends as earnings will warrant. The safety of the principal is of far more importance to the depositors than the amount of dividends received.

EARNINGS AND DIVIDENDS.—The total earnings of the Savings banks for the past year have been, approximately, $2,461,361, being but four and one-tenth per cent. on the average amount of deposits. From these earnings all dividends, taxes and expenses are paid. The amount of dividends paid depositors has been $2,096,927, an increase of $32,464 over 1895. The average rate of dividends paid for the present year has been .0372, while that of 1895 was .0379.

The income derived from securities within the range of investments permitted by law is steadily decreasing. Many of the bonds purchased by the banks upon a much more favorable basis than can now be obtained will soon mature. There is therefore a general feeling amongst those interested that there must be a further reduction in the rate of dividends paid, to meet this reduction in the earnings of our banks.

The present premium account carried by the banks is $469,456, an amount greater than one-fifth of the reserve. In many instances the banks have not charged off from their earnings from year to year a proper proportion of this liability. Before paying dividends care should be taken to reduce this account so that it will disappear at the same time the securities mature for the purchase of which it was created.

Trustees should not discount future earnings to pay dividends. Securities that are worth more than par are the ones the banks are most likely to hold until they mature, and the estimated value gradually disappears as they approach maturity. While a statement based upon this "estimated market value" of securities shows a fund that would be available if it was necessary for the bank to close up its affairs, such a fund, however, is not a resource that should be taken into consideration in determining the amount of earnings or the rate of dividends to be paid.

In declaring dividends, trustees should take such profits as are actually earned and collected, carry therefrom the necessary amount to reserve, charge off the proper proportion of the premium account, deduct all losses and expenses, and then divide the balance among the depositors. This is the only safe rule to follow and one from which no board of trustees should ever deviate.

EXPENSES.—The aggregate expenses, including salaries of officers, rents, and all other items, excepting taxes, is $130,650; this makes the average annual cost of management about one-fifth of one per cent., or about two mills on each dollar of assets. In no instance have I seen anything but the most economical management on the part of the trustees. They have usually been more prudent than officers of other banking institutions in which the amount thus saved would go to themselves and other stockholders, in dividends. The fact that in conducting the affairs of their several institutions they are acting as trustees in handling trust funds, leads them to avoid every unnecessary expense.

TAXES.—The total cost of the management of our Savings banks is only about one-third of the amount annually paid by them to the State in taxes.

The amount of the Savings bank tax for the present year is $381,208, being a decrease of $6,387 from that paid in 1895. The decrease in the amount of this tax for the past two years is $16,526. During the same time, the deposits have increased $2,945,672, and the State tax would therefore have increased also, had it not been that the banks in the meantime had bought $4,156,150 of Government bonds. As there is no prospect that Government bonds can be purchased on such favorable terms in the future as they have in the past, it is safe to predict, unless there is a change in the rate, the tax will from this date gradually increase.

In 1872 the first law levying a State tax upon deposits in Savings banks was enacted. It provided for the payment of one-half of one per cent. upon the average amount of deposits, not including the reserve and undivided profits. At that time banks were able to obtain Government bonds and first-class municipal securities at prices that would yield a net income of from seven to nine per cent., and were paying seven per cent. annually in dividends to depositors. Under those conditions, this rate of taxation was not considered burdensome. In his report for that year, the bank examiner, however, rightly said that the sum realized from this tax was more than could be obtained from property of the same amount and character by municipal taxation.

No one questions the propriety of collecting from this class of property its just portion of the necessary revenues of the State. Care should be taken, however, that the amount is not excessive, and that this fund, made up as it is, contributes no more than the same class of property otherwise invested.

Your attention has already been called to the fact that the total number of depositors in these banks is 163,115, and the average amount standing to the credit of each is only $352.37. Of this number there are 126,614 having five hundred dollars or less standing to their credit, the average to each being only $124.10. Thus it is clearly shown that this fund is made up largely from the small savings of those in moderate circumstances.

Our State bank examiners have without exception taken the ground that a low rate of taxation would in the end be more advantageous to the State, and, considering the source from which these small sums were obtained, would only be just to depositors. When the State tax was reduced, in 1883, from one per cent. to three-quarters of one per cent., the increase in deposits very soon made up for the reduction in the rate, and the revenue of the State was not decreased. In his report immediately following this reduction, the bank examiner said: "The figures seem to justify the opinion expressed in the last annual report, that a reasonable reduction in the rate of taxation would increase rather than diminish the revenue to the State. The amount of tax the Savings banks will pay into the treasury next year is likely to greatly exceed that of any previous year." If this was true in the past, when banks were able to earn five to nine per cent. on investments and pay five to seven per cent. dividends, how much more forcible is the conclusion now when safe investments cannot be found within the limitations prescribed by statute that will pay on the average more than four and one-tenth per cent., and while banks are paying an average dividend of but .0372.

In 1872, when a tax was first imposed upon Savings bank deposits, the rate of the State tax levied upon all taxable property was five mills, while the rate for 1896 was but two and one-quarter mills. The annual saving to the taxpayers by this reduction, based upon the

present valuation of the State, is nearly one million dollars. In 1896 when the last change was made in laws regulating the tax on Savings bank deposits, the rate of the State tax on other property was two and three-quarter mills, one-half a mill more than the present rate. This difference in rate is a saving of over $160,000 annually to the taxpayers. Thus it appears that, while the tax levied by the State upon other property has gradually decreased since 1872, the tax upon deposits in Savings banks has been increased from one-half of one per cent. on the average amount of deposits alone, to a tax of substantially seven-eighths of one per cent. upon the deposits, reserve and undivided profits.

The total revenues of the State for the year 1896 will be, approximately, $1,500,000. The principal items which make up this amount are as follows:

Direct tax of two and one-fourth mills	$731,941.70
Tax on Savings banks	381,208.07
Tax on railroad companies	152,869.72
Tax on insurance companies and fees (estimated)	45,000.00
	$1,311,019.49

Thus it appears that the Savings banks are paying more than one-half as much as the amount of the direct tax assessed by the State upon the taxable property therein, and over one-fourth of the entire revenue of the State from all sources.

I have carefully examined the laws of other States in relation to the taxation of Savings bank deposits, and have communicated with the bank commissioners in many of them for the purpose of ascertaining their views on the subject. With two exceptions, none of these States have so high a rate of taxation as that in force here, and the bank commissioners in those are urging the necessity of a reduction in rates. They claim that the payment of the present high tax is crippling their banks, and diminishing their deposits, thus seriously affecting the financial prosperity of their States. In quite a number of the States, deposits in Savings banks are wholly exempt from taxation, and their bank commissioners claim that the results clearly show the wisdom of this policy. The commissioner of one of the largest States writes me: "Deposits are not, never have been, and in my judgment never will be, taxable in this State, unless some urgent necessity for raising the revenues should exist, hitherto unknown in our history."

There is no prospect that the rate of interest upon loans and investments will increase in the near future, but rather that they will still continue to decrease. Securities purchased by the banks when rates of interest were higher than now are fast maturing. Dividends have gradually decreased until now the average rate is as low as depositors are likely to accept without withdrawing their funds. The rate of taxation upon other taxable property in the State has been materially decreased, while the rate upon Savings bank deposits has been increased. The amount of the tax collected from Savings banks seems to be out of proportion with that derived from other sources. In other States, having more liberal laws regulating the affairs of Savings banks, deposits have increased more rapidly than in ours.

Taking into consideration all these facts, I most earnestly recommend a reduction in the rate of taxation upon Savings bank deposits. The result of every investigation I have made only confirms my opinion that the present rate is too high. I believe that such a reduction would not only be just to depositors, but would ultimately be for the best interests of the State. Feeling, therefore, that this is a matter of utmost importance, I have treated it at length, giving the reasons that have led me to this conclusion.

Trust and Banking Companies.

There are now eighteen trust and banking companies doing business in the State, one having been added to the number during the year.

The Livermore Falls Trust and Banking Company was organized July 27, 1895, but its capital stock was not subscribed and it did not commence business until January 1, 1896. The amount of its capital stock is $50,000, fully paid in, and it has accumulated during the year over $50,000 in deposits. It is located in a section of the State that is rapidly increasing in population, wealth, and business industries. With proper management I predict for it a successful future.

At the time I examined the Oxford County Loan Association, I found it had a large amount of accrued interest uncollected; that it had, during the year, paid the interest on its debentures outstanding and charged the same to the loss account. The officers of the institution assured me that they had no doubt of being able to collect a large portion of this interest outstanding at an early date. I therefore instructed them to open an accrued interest account and also to credit the same to profit and loss.

COMPARATIVE STATEMENT.—The following table shows the standing and condition of the trust and banking companies November 7, 1896, as compared with that of November 23, 1895.

RESOURCES.	*1895.*	*1896.*
Demand and time loans	$2,984,141	$3,148,208
Mortgages of real estate	1,021,218	912,485
Stocks and bonds	1,524,718	1,670,917
Trust investments	154,954	143,823
Real estate owned	182,653	212,225
Due from other banks and bankers	180,477	193,580
Expense account	10,390	16,998
Furniture and fixtures	86,559	84,532
Cash on hand and on deposit	317,109	301,574
Other resources	229,373	274,239
Total resources	$6,641,586	$7,048,760
LIABILITIES.		
Capital stock	$1,460,900	$1,511,400
Surplus	197,700	221,700
Undivided profits	134,075	165,740
Time deposits	2,196,060	2,490,940
Demand deposits	1,640,706	1,644,827
Certificates of deposit	204,704	215,958
Debentures outstanding	106,300	106,300
Trust department	155,120	143,978
Unpaid dividends	1,315	1,688
Deposits for coupons	5,140	7,307
Treasurers' checks outstanding	4,765	5,369
Due other banks and bankers	63,476	48,947
Bills payable	131,650	129,450
Rediscounts	2,937	6,000
Other liabilities	336,735	349,157
Total liabilities	$6,641,586	$7,048,760

This is an increase of $50,500 in capital stock, $55,665 in the surplus and undivided profits, $310,254 in the deposits, $251,537 in loans and investments, and $407,173 in the total assets, of these institutions during the year. The aggregate of time deposits and certificates of deposit is $2,706,898. In most instances the banks pay interest upon this last amount at rates varying from two to five per cent. per annum. Their returns to this department show that they have thus paid during the year to depositors the sum of $97,718, making the average rate paid about the same as the dividends paid on deposits in Savings banks.

The total amount of dividends paid to stockholders during the year is $77,227. This would be an average rate of about five per cent. on the entire capital stock of these institutions, and is an average of about six per cent. on the stock of those that actually paid dividends. Taking into consideration the fact that this stock is all subject to taxation in the municipalities where the stockholders reside, it can be seen that the net income to the holder, even taking into account the increase in surplus, is but little more than that received by depositors. This additional amount is not more than sufficient to compensate stockholders for the additional risk and liability incurred over and above that of depositors either in these institutions or in Savings banks.

The ability and fidelity with which the business of these institutions has been conducted, and the steady growth and improvement in their general condition, reflect great credit upon the officials who have had their affairs in charge.

While these companies are under the same supervision as Savings banks, the nature of their business is more like that of National banks. The capital they have accumulated is used largely in local enterprises and in the development of the business interests of our State. Their loans and investments are not restricted like those in Savings banks, and they are able to furnish capital for many enterprises in which Savings banks are not authorized by law to invest.

Each class of these institutions is in a greater or less degree beneficial to the public, and their success and growth show that there is room for both. While Savings banks, by encouraging industry, thrift and economy, are doing a most valuable work, trust companies, by a more extended use of their funds, are furnishing capital for many new and important industries within our State.

Receivers.

The Receivers of the Orono and Richmond Savings banks have made reports of their doings, as required by law.

The Receiver of the Orono Savings Bank has paid no dividend since November, 1895, which was mentioned in the annual report of this department for that year. He has in his hands assets amounting to about $20,000, and it is expected that he will be enabled to pay another dividend to depositors during the coming year.

The Receiver of the Richmond Savings bank paid, October 26, 1896, a dividend of twenty per cent., amounting to $17,131.19, making in all seventy per cent. paid to depositors to this date. He still has a small amount of assets in his hand, and it is expected he will be able to pay a final dividend and close up the affairs of the institution during the year.

During the year 1895 the license of the Granite State Provident Association, of Manchester, New Hampshire, was suspended by this department.

Foreign Corporations.

A license has been granted, under the provisions of Chapter 131, Public Laws of 1891, to each of the five following foreign corporations to sell or negotiate their obligations in this State during the year ending December 1, 1896, viz.:

Iowa Loan and Trust Company, of Des Moines, Iowa.
Maricopa Loan and Trust Company, of Phoenix, Arizona.
Middlesex Banking Company, of Middletown, Connecticut.
Nebraska Loan and Trust Company, of Hastings, Nebraska.
Security Mortgage and Trust Company, of Dallas, Texas.

It is impossible for me to make a personal examination of the foreign corporations that apply for a license under this law. My action in issuing or refusing such licenses is based largely upon the sworn statements furnished by the companies, and not upon any personal knowledge of the institutions. I have, however, intended to exclude all not of well-known standing and financial integrity. Investors are requested to examine carefully these statements and act on their own judgment in making their investments, and not upon the strength of any license granted.

Duties of this Department.

In the following table is given the total number of institutions under the supervision of this department and amount of their assets for every year for the past twelve years.

Year.	Savings Banks.		Trust Companies.		Loan and Building Associations.		Total.	
	No.	*Assets.*	*No.*	*Assets.*	*No.*	*Assets.*	*No.*	*Assets.*
1885	54	$37,364,394	2	.....	2	.....	58	$37,364,394
1886	54	39,475,138	2	$ 763,945	4	.....	60	40,239,084
1887	55	41,283,614	5	1,300,771	10	$ 96,613	70	42,677,999
1888	55	43,786,168	6	1,870,192	15	187,967	76	45,844,328
1889	55	47,080,526	9	2,765,862	19	319,042	83	50,115,431
1890	54	50,901,527	10	3,629,895	24	633,059	88	55,164,482
1891	53	53,550,871	12	4,279,477	30	1,032,301	95	58,862,650
1892	52	56,838,263	13	4,866,324	29	1,460,196	95	63,164,781
1893	52	56,701,437	14	5,175,032	29	1,830,159	95	63,706,628
1894	51	57,761,918	15	5,835,807	31	2,193,956	97	65,791,682
1895	52	59,365,755	17	6,641,586	33	2,469,884	102	68,477,226
1896	52	60,719,379	18	7,048,760	34	2,691,446	104	70,459,586

This table shows to some extent the increasing duties of this department. This increase comes not only from the additional number of institutions to be examined, but also from the larger amount of assets found therein. It would require all of the time of one person to perform properly the duties incident to the examinations alone, and this is at present but a small portion of the work required of the bank examiner. Under the present method of assessing the taxes upon Savings banks, the collection of the returns and the appraisal of every security held by them twice each year has largely increased my duties.

Respectfully submitted,

Fremont E. Timberlake, *Bank Examiner.*

Augusta, Dec. 1, 1896.

MISSOURI.

To the Honorable the Thirty-ninth General Assembly of the State of Missouri:

In obedience to the provisions of section 1 of an Act to provide for the examination of banks and trust companies, approved March 22, 1895, I have the honor to make the following report: The law having no emergency clause went into effect June 21, and by July 1, 1895, two examiners were appointed, necessary blanks prepared, and the examination of banks was begun. At that time there were in existence 494 incorporated State banks, 96 private banks, and 7 trust companies, subject to examination by this department. Since that time 725 examinations have been made, 28 banks have been permanently closed by the State, 4 have been closed by the State and permitted to resume, and 20 banks have from various causes gone into voluntary liquidation and been dissolved.

In the meantime, there have been 41 banks organized in the State, so there are at this time in existence and doing business in this State 484 incorporated banks, 90 private banks and 6 trust companies subject to examination by this department, a total of 580. The trust companies which receive deposits, but which are exempted from such examination by the law, upon condition that they shall be examined by the State Department of Insurance, consist of 4.

For information, I may add that there are now 68 National banks doing business in this State. The last official statement of the financial condition of the banks in the State of Missouri, gave grand totals as follows:

Resources.		Liabilities.	
Loans and discounts undoubtedly good on personal or collateral security	$60,357,567	Capital stock paid in	$21,263,116
Loans and discounts undoubtedly good on real estate security	6,958,103	Surplus fund on hand	8,497,356
Overdrafts by solvent customers.	1,027,414	Deposits subject to draft at sight	
United States bonds on hand	183,431	by banks and bankers	3,574,995
Other bonds and stocks at their present cash market price	6,026,648	Deposits subject to draft at sight	
Real estate at present cash market price	3,524,346	by individuals and others	55,578,125
Furniture and fixtures	700,237	Deposits subject to draft at given	
Due from other banks, good on sight draft	14,368,334	dates	16,318,074
Checks and other cash items	1,817,353	Bills payable and bills redis-	
National bank notes, legal tender		counted	715,943
United States notes and gold and silver certificates	7,136,202		
Gold coin	3,270,501		
Silver coin	577,380		
Total	$105,947,612	Total	$105,947,612

When examination began there was a great deal of careless banking, and apart from that there were many banks in bad condition as the results of the stringent times that have prevailed since 1893. Out of the fifty-seven banks that have closed in the last eighteen months a number of them had been getting in worse and worse condition for several years past.

Weak Institutions.

In this connection, it may not be improper to state what is a fact, that there are too many banks in the State for the amount of business to be transacted. In some places banks are maintained where a pencil and paper and two minutes calculation will show that the profits which can reasonably be expected from the amount of business will not equal the expense of the institution on modest lines. Some of these banks necessarily resort to illegal rates of interest in order to keep their heads above water. In some places where it is questionable as to whether or not one bank should be maintained, there are two. How this condition of affairs is to be remedied I do not know. The convenience of banks in communities is not to be underrated, and yet it would appear better in many instances to go a few miles further for banking facilities than to encourage the maintenance of banks which can barely live. In this connection, the inquiry presents itself as to whether or not it would be wise to increase the requirements as to capital stock. Private banks are permitted to organize with $5,000, and incorporated banks with $10,000. By the time the banking building, furniture and fixtures necessary to conducting these institutions is paid for but little capital is left remaining. I would not be taken as discriminating against the smaller banks in favor of the larger ones, yet where institutions are of the fiduciary character, the line of demarkation should be drawn in favor of safety to the persons who entrust their funds to the keeping thereof. At least, if present conditions are to continue, the greatest care should be taken to preserve intact, as

much as possible, the capital stock by moderate charges for banking houses, furniture and fixtures, the gradual elimination of the last item and provision in the law requiring banks when they declare a dividend first to set apart to the surplus fund ten per cent. of their net earnings.

AMENDMENTS SUGGESTED.

I would say in regard to the general banking law that it needs amendment in several particulars. While making this statement I would deprecate any radical changes in the present statutes. If it be true that other banking systems as a whole are more perfect than that of Missouri, yet they have grown to be so by gradual improvement. Laws of this kind are evolutions which grow out of the experience of the communities for whose benefit they are enacted, and I am decidedly of the opinion that it would be unwise to substitute for our Missouri statutes an entirely new system which would be unfamiliar to the public and to the persons who must do business under them.

The changes needed are rather to clarify than to substantially alter our present laws. Section 2748, which covers the duties of directors, should be made more comprehensive. It should distinctly require that boards of directors shall meet at least once per month and pass upon all the affairs of the bank, particularly bills receivable and bills payable, and keep a written record of their proceedings. This section should also forbid the borrowing of money by the bank except with the consent of the board of directors, and it should inhibit the borrowing of moneys of the bank by any director unless with the knowledge of the board of directors.

This is the rock upon which most wrecked banks have foundered. It may be too radical to provide that directors shall not be permitted to borrow the funds of the bank at all, but it is certainly no more than a reasonable safeguard that such loans shall only be made with the knowledge of the board of directors. While this provision seems simple, moderate and conservative, yet an inner view of what has occurred with banks which have failed because of undue borrowing by directors shows that if this had been the law, few, if any, such failures would have taken place. In most cases where disaster of this kind has overtaken institutions it has been caused by one or two of the directors with one or two of the officers having gradually come to using more and more of the bank's money, until reckless speculations have involved them and the institution in financial ruin.

It has come under my observation that where reckless borrowing has been done by the banks in most instances it has come about through the active officers of the bank, without the knowledge or consent of the majority of the board of directors.

There are other and minor amendments to the banking law which might be made with profit, and some of which have already been suggested to the General Assembly in the preparation and introduction of bills; but I can state it to be my belief, after an experience with bank supervision for the past eight years, and examination for the past two years that if the General Assembly will adopt the amendments suggested as to directors borrowing the funds of the bank, as to the clearing up the section to prevent excessive loans, and as to setting apart 10 per cent. of earnings to surplus, these provisions alone, within a short period, will work a revolution which will place the banks of Missouri in an infinitely better condition than they have ever before been in their history. A. A. LESUEUR, *Secretary of State.*

JEFFERSON CITY, Jan. 27.

Insolvent Bank Dividends.—The Comptroller of the Currency has declared dividends as follows:

First dividend, 10 per cent., Grand Forks National Bank, Grand Forks, N. D.; first dividend, 20 per cent., First National Bank of Mount Pleasant, Mich.; first dividend, 25 per cent., First National Bank of Eddy, New Mexico; first dividend, 50 per cent., National Bank of Illinois, Chicago; second dividend, 10 per cent., National Bank of Jefferson, Tex.; second dividend, 10 per cent., First National Bank of Starkville, Miss.; second dividend, 10 per cent., First National Bank of Kearney, Neb., and fifth dividend, 20 per cent., First National Bank of Redfield, S. D.

A Trustworthy Publication.—The BANKERS' MAGAZINE is a trustworthy publication, giving a great variety of banking news from month to month, and interesting comment on financial matters. Many of its articles are most instructive.—*Indianapolis News.*

Is Unusually Interesting.—The BANKERS' MAGAZINE improves with every issue. The current number is unusually interesting. It is the best publication of its class in the country.—*Pittsburg Chronicle.*

CLEARINGS FOR BANKS NOT MEMBERS OF THE NEW YORK CLEARING-HOUSE.

In order to protect the banks from loss that act as clearing-house agents for non-members of the New York Clearing-House Association, the clearing-house committee at a meeting held on December 28, Henry W. Cannon, President of the Chase National Bank, chairman presiding, passed the following resolution:

Resolved, That weekly average statements in accordance with the following form be required hereafter from all banks, non-members, whose checks are exchanged at the New York Clearing-House, and that the manager be requested to notify said banks to forward such statements to the clearing-house at the close of business on Friday of each week.

According to the blank form of statement the banks are required to report their daily average amount of loans, discounts, and investments; the average amount of specie on hand; the average amount of legal-tender notes and bank notes on hand; the average amount on deposit with clearing-house agent; the average amount on deposit with other New York city banks and trust companies; the average amount of deposits, and the average amount of circulation.

Following is a list of the fifty-three New York city and other banks that clear through members of the clearing-house, and come within the terms of the resolution quoted above:

LIST OF CLEARING AGENTS FOR NON-CLEARING-HOUSE BANKS.

BANK.	*Clearing-House Agent.*	*Cap. and Surplus.*	*Deposits.*
Astor Place	Corn Exchange Bank	$606,800	$2,467,000
Bank of New Amsterdam	Merchants' Nat	483,000	1,619,000
Clinton	Nat. Park	329,000	956,000
Colonial	Third Nat	148,100	518,500
Columbia	Irving Nat	525,600	2,069,000
Eleventh Ward	Bank of Republic	324,000	1,035,700
Fourteenth Street	N. Y. Nat. Exchange Bank	148,700	846,700
Franklin Nat	Merchants' Exchange Nat	237,300	395,000
Gansevoort	Third Nat	234,700	661,900
Hamilton	Mercantile Nat	268,300	899,700
Hide and Leather Nat	Mechanics' Nat	608,100	1,408,600
Home	Fifth Nat	178,000	521,500
Hudson River	Corn Exchange	382,000	955,800
Mt. Morris	American Exchange Nat	354,100	1,709,500
Mutual	Gallatin Nat	288,700	1,004,000
19th Ward	Shoe & Leather	128,200	757,700
Plaza	Central Nat	205,900	896,600
Riverside	Manhattan Co	193,300	586,600
Standard Nat	Hanover Nat	231,100	561,000
State	Bank of North America	148,100	1,189,700
Twelfth Ward	Gallatin Nat	337,300	1,100,100
Twenty-third Ward	Gallatin Nat	135,500	656,900
Union Square	Nat. Park	451,400	2,029,300
Yorkville	Merchants' Exchange Nat	192,900	861,200
BROOKLYN.			
Bedford	First Nat	269,000	1,135,000
Broadway	Merchants' Exchange Nat	206,000	1,100,000
Brooklyn	Merchants' Nat	482,000	1,500,000
Eighth Ward	Third Nat	125,000	250,000
Fifth Avenue	Bank of Republic	150,000	350,000
Fulton	Corn Exchange	400,000	1,000,000
Kings County	Bank of North America	240,000	730,000
Manufacturers' Nat	First Nat	577,000	3,000,000
Mechanics'	Bank of New York	1,000,000	2,500,000
Mechanics and Traders'	First Nat., Brooklyn	250,000	980,000
Nassau Nat	Mechanics' Nat	600,000	2,700,000
National City	Mechanics' Nat	900,000	3,000,000

North Side	First Nat., Brooklyn	$200,000	$640,000
People's	First Nat., Brooklyn	150,000	635,000
Queens County (L. I. City)	Hanover Nat	181,000	1,563,000
Schermerhorn	Manhattan Co	155,000	375,000
Seventeenth Ward	First Nat., Brooklyn	185,000	340,000
Sprague Nat	U. S. Nat	380,000	1,140,000
Twenty-sixth Ward	Nat. Bank of Republic	167,000	525,000
Union	Third Nat	158,000	210,000
Wallabout	First Nat., Brooklyn	145,000	500,000
HOBOKEN.			
First Nat	American Exchange Nat	462,000	1,750,000
Second Nat	Nat. Park	200,000	840,000
JERSEY CITY.			
First Nat	American Exchange Nat	1,085,000	4,000,000
Hudson Co. Nat	Merchants' Exchange Nat	729,000	1,875,000
Second Nat	Fourth Nat	632,000	1,355,000
Third Nat	Phenix Nat	342,000	1,000,000
STATEN ISLAND.			
Bank of Staten Island	U. S. Nat	63,000	400,000
First Nat	Nat. Bank of Republic	156,000	600,000

The Currency Reform Movement.

As the Indianapolis Monetary Conference was held so near the date of publication of the last number of the MAGAZINE, it was impossible to present a full report of the meeting. The declaration of principles was printed in the January number, page 124. The resolutions, adopted on January 14, were as follows:

Resolved, That fifteen members of this conference be appointed by the chairman to act as an executive committee while this convention is not in session with full power of this convention. The executive committee shall have the power to increase its membership to any number not exceeding forty-five, and five members thereof shall at all times constitute a quorum of said committee.

The executive committee shall have special charge of the solicitation, receipt, and disbursement of contributions voluntarily made for all purposes; shall have power to call this convention together again when and where it may seem best to said committee to do so; and said committee shall continue in office, with power to fill vacancies, until discharged at a future meeting of this convention.

Resolved, That it shall be the duty of this executive committee to endeavor to procure at the special session of Congress, which it is understood will be called in March next, legislation calling for the appointment of a monetary commission by the President to consider the entire question and report to Congress at the earliest day possible, or failing to secure the above legislation, they are hereby authorized and empowered to select a commission of eleven members according to rules and plans seth forth in the suggestions submitted to the convention by Mr. Hanna, of Indianapolis, as follows:

Article I. The committee shall consist of eleven members, to be named by the executive committee appointed by this convention. The executive committee shall have power to fill vacancies in the commission as they may occur.

Article II. The first meeting of the committee shall be held at time and place to be designated by the executive committee of this convention in a call to be issued therefor, and at such a meeting the commission shall organize by the election of such officers and the adoption of such rules and by-laws for its own government as may be agreed to by a majority of its members; and thereafter it shall be governed by such rules and by-laws subject to these articles.

Article III. All rules and by-laws of the commission and all its proceedings shall be directed toward the accomplishment of the objects of its creation, which are to make a thorough investigation of the monetary affairs and needs of this country in all relations and aspects, and to make appropriate suggestions as to any evils found to exist and the remedies therefor, and no limit is placed upon the scope of such inquiry or the manner of conducting the same, excepting only that the expenses thereof shall not exceed the sums set apart for such purposes by the executive committee.

Article IV. The executive committee of the convention shall use so much of the voluntary contributions made to it as may be available for that purpose to defray all necessary expenses of the commission, and shall notify the commission from time to time of the amounts so available, in order that it may regulate its expenditures accordingly, and no liability shall attach to said commission or to this convention beyond the amount so notified.

Article V. When the labors of this commission have been completed as far as practicable, the executive committee, if it deems it advisable, shall issue a call to bring this convention together again at a time and place designated in such call; and at the meeting so convened the committee shall make report of its doings and suggestions in such manner and form as it shall deem best adapted to present the same to this convention and its members for action; and if legislation is deemed advisable, shall accompany such report with a draft of such bill or bills providing for such legislation.

Resolved, That all resolutions and communications as to methods of currency reform which have been presented to this convention be referred to such commission when formed.

OPEN LETTERS FROM BANKERS.

AN INTERCHANGE OF OPINION BY READERS OF THE MAGAZINE.

CURRENCY AND BANKING REFORM.

Editor Bankers' Magazine:

SIR:—In the light of past experience the following amendments of our banking and currency laws seem to be necessary and desirable:

I.—Authorize National banks to issue currency to the par of United States bonds deposited to secure circulating notes.

This will result in the Government holding in United States bonds at par and in gold $1.05 for every dollar issued.

II.—Continue present tax on circulation, viz.: one per cent. per annum and set the net profits therefrom aside as a safety fund to pay obligations of National banks hereafter failing.

Thirty-two years' experience in the unusually trying times of both peace and war proves that this would create an ample fund to at once pay all obligations of failed banks other than capital stock and would largely remove distrust, the great factor in producing panics.

III.—Prohibit National banks from paying interest on deposits at a greater rate than three per cent. per annum.

This would prevent abuse of their deposit functions.

IV.—Declare such banks legal depositories without bond for all moneys public or private.

V.—Require National banks *pro rata* to furnish, on bonds payable at pleasure of Government and bearing two and a half per cent. interest per annum, all moneys needed by the Government—all such bonds to be first offered to the public and any unsold to be distributed *pro rata* at par to the National banks.

This will save syndicate scandals and give stability to Government credits. The united National banks of the country can reach the home or the world's markets better than private agencies, and will be fully able to cope with all emergencies that may arise, even if much greater than any that have occurred in the history of the Government.

VI.—Authorize clearing-houses in redemption cities to issue clearing-house certificates to their members on deposit of approved securities to extent of seventy-five per cent. of their value. Said certificates to be a legal reserve for banks and to be subject to a Government tax of three per cent. per annum until released or until gold is deposited in the United States Treasury for their redemption.

This will provide an emergency circulation the value of which past experience has proven.

VII.—Prohibit the issue of legal-tender notes except in exchange for gold coin.

LOS ANGELES, Cal., Jan. 30. JOHN M. C. MARBLE.

A PLAN TO PROTECT THE GOLD RESERVE.

Editor Bankers' Magazine:

SIR:—To make United States notes (known as "greenbacks") an "elastic" currency, and to prevent them from being used in unduly withdrawing gold from the Treasury, add the following sections to the present National Bank Act, so that it shall read as follows:

Section No. ——. The Secretary of the Treasury may receive United States notes (known as "greenbacks") or gold coin, on deposit from any National banking association, in sums of not less than ten thousand dollars, and issue certificates therefor in such form as he may prescribe, in denominations of not less than ten thousand dollars, payable on demand in United States notes (known as "greenbacks"), with interest at a minimum rate of 2 per cent. per annum, or other rate of record as provided for in Section No. ——, at the place where the deposits were made. The notes or gold coin so deposited shall not be counted as a part of the lawful money reserve of the Association; but the certificates issued therefor may be counted as a part of its lawful money reserve. And United States notes (known as "greenbacks") for which such certificates are issued, or other like United States notes of like amount, shall be held as special deposits in the Treasury, and used only for redemption of such certificates.

Said certificate's shall be redeemable at option of the United States, in whole or in part, after three months' notice, and when called for redemption by the Secretary of the Treasury, with the consent of the President, interest thereon shall cease three months from the date of such call.

Section No. ——. Whenever the $100,000,000 gold reserve, held for the redemption of United States notes (known as "greenbacks") shall be depleted so that the amount of gold held for their redemption shall have fallen to $70,000,000, then the Secretary of the Treasury, with the consent of the President, may advance the rate of interest, from time to time, on the certificates provided in Section No. ——, until the gold reserve of $100,000,000 is restored. And whenever said gold reserve shall have been restored to the normal requirement, then the Secretary of the Treasury, with the consent of the President, may lower the rate of interest, from time to time, until it shall have reached the fixed minimum rate provided in said certificates.

It is believed that this addition to the National Bank Act would furnish the Treasury with an instrument whereby it could protect the gold reserve from undue depletion, because of demand for redemption of greenbacks by indirectly (through the banks) affecting the loaning rates for money in the open market. As, when money rates in the open market fall below 2 per cent. per annum, or below the rate current thereon, it would be more profitable for the banks to deposit greenbacks, or gold, for the interest-bearing certificates than to loan them in the open market. If the banks, therefore, should deposit their money for certificates, it would cause a contraction of loanable funds in the open market, and cause the rates for money to rise therein, etc.

It would also restore public confidence to *know* that our Treasury Department was in a position to protect its gold reserve, and restore the old order of things, whenever the necessity for action should arise. Want of confidence now exists, to a great extent, because *it is known* that the Treasury *is powerless* to protect its gold reserve, when gold is unduly demanded for greenbacks—for purposes of export, or otherwise.

It would probably never be necessary for the Treasury to issue as much as $50,000,000 of the proposed certificates, to raise the open market rate for money to such a figure that it would stop any unusual demand for gold in exchange for greenbacks; and this $50,000,000 would require a much less interest charge to operate than would the funding of the greenbacks in interest-bearing bonds with definite time to run.

There are other practical benefits to be derived from this plan, which for brevity I omit to state herein.

J. S. CASE, *Cashier Second National Bank.*

NEW YORK, Jan. 31.

NEEDED FINANCIAL REFORMS.

Editor Bankers' Magazine:

SIR:—I would suggest the desirability of keeping in view the following principles in reforming the currency and banking system:

First.—We want a currency that will circulate; one that is not inflexible, but elastic—not a hotch-potch, "before the war," paper circulation, that will only pass dollar for dollar at home, and for anything you can realize for the notes outside of their own State of issue.

Second.—It must be a currency based upon a solid foundation; as safe and secure as the present National bank notes.

Third.—State bonds and local securities, being the first species of assets to depreciate in time of business depression, are therefore worthless as a security for bank circulation.

Fourth.—All banks should be required to issue circulation, and a Government bond, at a low rate of interest, should be the security (the proceeds of these bonds to be used to redeem the Government circulation), and a dollar of circulation be permissible for every dollar of Government bonds held by the bank.

Fifth.—The Government tax on bank circulation should be reduced to one-fourth of one per cent.

Sixth.—Bank charters passed by State legislatures should confine banks to only banking privileges, and all loan, trust and safe deposit privileges should be eliminated from bank charters, and each species of business should be a system of its own.

Seventh.—No banks but regularly chartered Savings banks should be permitted to pay interest on deposits.

Eighth.—The most stringent laws should be passed to protect the money of the people in the hands of the banks, and all banks should be subject to Government supervision.

Ninth.—The Comptroller of the Currency should be appointed, to hold office for at least ten years, and the office should be strictly non-partisan.

Tenth.—Bank examiners should be paid liberally for their services, and the time allowed

for examining banks should be extended sufficiently to admit of a most thorough examination of every bank.

Eleventh.—Examiners should be appointed to districts, and there remain until they become fully acquainted with the characters of borrowers and bank officials, and have an opportunity of looking into the value of collaterals or securities upon which loans are predicated.

JNO. W. FAXON,
Assistant Cashier First National Bank.

CHATTANOOGA, TENN., Feb. 5.

CLEARING-HOUSE NUMBERS ON DRAFTS.

Editor Bankers' Magazine:

SIR:—In looking over the September number of the MAGAZINE I noticed therein the suggestion of Robert D. Kent, Cashier of the Passaic (N. J.) National Bank, relative to the placing of the clearing-house numbers on drafts. It seems to me that this would be a most excellent idea, and would save a great amount of time in listing checks for the city letters.

BRATTLEBORO, Vt., Jan. 12. W. H. BRACKETT, *Cashier People's National Bank.*

BANKING AND COMMERCIAL LAW INDEX.

Editor Bankers' Magazine:

SIR:—I am so thoroughly convinced of the great value both to lawyers and bankers of that department of your MAGAZINE devoted to recent decisions bearing upon banking law and also your answers to practical banking and commercial law questions, that I am forced to make this request and suggestion; that once or twice a year you furnish an index to those decisions and answers.

SAMUEL J. SALYER.

PINEVILLE, Ky., Feb. 6.

Answer.—An index to the cases reported in the Banking Law Department, and to the Replies to Questions, will be found in the numbers of the MAGAZINE for June and December of each year.—[EDITOR BANKERS' MAGAZINE.

A CANADIAN OPINION OF THE GREENBACKS.

Editor Bankers' Magazine:

SIR:—I think that Mr. Cornwell stands upon unassailable ground in attacking the greenback. The system upon which that note is issued is indeed fraught with great danger. If in addition to the hundred million reserve there were a provision that the Treasury should hold in Government bonds the equivalent of the other $300,000,000 of the greenback issue, and that no re-issue of the notes should take place while the reserve is impaired; if in other words the greenbacks were guaranteed as is the Canadian legal-tender note, the gold reserve would cease to be menaced and cease to be that menace which it now is to the even tenor of the course of trade. Our Dominion notes are guaranteed by seventy-five per cent. of gold and Government bonds guaranteed by the Imperial Government, the gold reserve being fixed at a minimum of fifteen per cent. of the whole, and the amount of notes outstanding is ruled by the reserve in the Treasury.

It seems to me, however, that the whole trouble consists in the fact that the Government of the United States expects or is expected to do work which the banks alone should do. There is no objection to a government becoming the depository of the gold and silver reserves of a country, provided it is not expected directly or indirectly to return more than it actually receives, but no government should be expected to carry on a part of the business of banking unless at the same time it is enabled to discharge that great function of loaning funds, especially on discounts.

In Canada, so careful is our Government in the matter of not engaging in anything which resembles banking, that its custom is to maintain deposits with leading banks and pay its obligations not in its own notes but by checks.

If the people of the United States want cheap money it is not to be had of the Government in any shape or form, but of the banks; and it is not to be had even of the banks as long as the currency of these is based upon the debts of the country as a nation instead of its assets.

ARTHUR WEIR.

MONTREAL, Que., January 28.

PRACTICAL BANKING SUGGESTIONS.

Editor Bankers' Magazine:

SIR:—Having been for many years an examiner of National banks, I have been much interested in your "Practical Banking Department," particularly the suggestions for the preventions of losses which occur owing to lack of systematic methods of bookkeeping. Some of the forms given in the MAGAZINE are certainly of great value and worthy of general adoption.

Though my views on the subject may be somewhat old-fashioned, I do not hesitate to say that I believe the three-column individual ledger (debit, credit and balance), with balances extended *in ink opposite each entry*, monthly sheets in ink, is the best.

Pass-books should always be balanced and accounts reconciled by a man other than bookkeeper, who should never touch the cash.

The three-column general ledger, kept in the same way as the individual, is the best for a country bank. The system of *check*, of course, is the first and great essential. W. M.

ATLANTA, Ga., Feb. 9.

Proceedings of Congress.

On Jan. 29 the Senate passed the Senate bill providing for the appointment of five commissioners to represent the United States at any international monetary conference that may be called, and appropriating $100,000 to compensate such commissioners and for expenses. The President is authorized to call such a conference at his discretion.

A bill introduced by Senator Shoup, of Idaho, provides that no paper currency of any kind of less denomination than $10 should be issued and the Secretary of the Treasury is directed, whenever and as often as such notes should be received by the Treasurer for dues or for redemption, to cancel such small notes.

The bill which passed the House on January 11, providing for the organization of National banks with a capital of $20,000 in towns of not more than 4,000 inhabitants, went to the Senate on January 12, where it was read twice and referred to the Committee on Finance. There does not appear to be any active opposition to the bill even on the part of the silver Senators who have heretofore opposed all banking legislation. It is hardly thought possible for the committee to give the measure the proper attention at the present session, and its immediate passage is generally regarded as improbable.

In discussing the bill in the House, Mr. Brosius (Pa.) on January 11, made an interesting speech showing the necessity for some legislation that would promote the organization of National banks in agricultural communities.

Representative Johnson (Ind.) also made a strong speech in favor of revising the banking laws. He said, in part:

"The present banking and currency system is a positive imposition upon the people, particularly upon the people living in the agricultural sections of the Union. It is maintained only at great expense. It keeps the business and commercial interests in a constant state of apprehension and uncertainty. It congests money at the great commercial centres where, owing to the use of bank checks and deposits, it is not so much needed for effecting the ordinary exchanges of daily life, and where it can be borrowed at a very low rate of interest, while it leaves those residing in the rural sections of the country—notably in the South and West—without money with which to effect their ordinary exchanges, and without money for unusual enterprises or for marketing their crops, except upon payment of very high rates of interest.

I venture the assertion that it is this scarcity of good paper money, this inequality in the distribution of such money throughout the country, which is largely at the bottom of the demand for a short-weight silver dollar, and for the issue of irredeemable and other vicious forms of paper currency.

Once do a way with this just reason for dissatisfaction through a wise revision of the banking and currency system, once give to the people a good paper currency, in sufficient volume to answer their necessities, and at reasonable rates of interest, and you will sound the death knell of the cry for a cheap metallic dollar and for all kinds of questionable paper issues."

In conclusion he favored the issue of notes on the assets of the banks, under proper restrictions.

National Board of Trade.—At the meeting of the National Board of Trade, held at Washington, January 27, the following resolutions were adopted relating to the currency:

(1) That gold coin shall remain the standard money.

(2) That steps should be taken to retire all United States notes in such a way as not to disturb business relations: that National banks should be allowed to issue currency to the par value of the bonds; that the tax on circulation be reduced and that banks be allowed to issue currency based on assets, under such national supervision and restriction as will make it safe, elastic, and redeemable in gold at the bank of issue and at the city of New York.

(3) That such banks of issue, with a capital of $20,000 or more, be authorized to be established in towns and villages of less than 3,000 population.

The appointment of a monetary commission was favored, and the passage of the bill now before Congress for an international coin was recommended.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—A new Savings bank is being organized in the Twenty-second ward, to be located "near the Boulevard or Columbus Avenue, between Sixty-second and Seventy-fifth streets."

—A. M. Kidder has withdrawn from the firm of A. M. Kidder & Co. Business will be continued under the same style.

—Messrs. Samuel D. Davis & Co. will go out of business, Mr. Davis retiring on account of ill health. A new firm will be organized as successors.

—Henry L. Dittman, for many years in charge of the bond and arbitrage business of the firm of Lazard Freres, has bought a seat in the Stock Exchange.

—The annual meeting of the New York Clearing-House Building Co. was held January 23, when the following directors were re-elected: George G. Williams, President Chemical National Bank; F. D. Tappen, President Gallatin National Bank; J. Edward Simmons, President Fourth National Bank; Dumont Clarke, President American Exchange National Bank, and E. H. Perkins, Jr., President Importers and Traders' National Bank. Mr. Williams was re-elected president, and William Sherer, Manager of the Clearing-House, was re-elected secretary. William J. Gilpin, Assistant Manager of the Clearing-House, and J. T. Mills, Jr., Cashier of the Chase National Bank, were appointed tellers.

—At the regular monthly meeting of the Chamber of Commerce, February 4, a special report was made by the committee appointed to attend the late Indianapolis Monetary Conference. The committee comprises John Harsen Rhoades, President of the Greenwich Savings Bank, William E. Dodge, ex-Secretary of the Treasury Charles S. Fairchild, George Foster Peabody, A. Swan Brown, and Isidor Straus. The committee's report endorsing the action of the Indianapolis convention was accepted with applause, and a number of resolutions were adopted, the effect of which in brief is to convert the committee into a standing committee on currency reform (with power to add to its number). The committee is instructed to communicate with the incoming Administration, to urge that the extra session of Congress, which, it is supposed, the President-elect will call, shall be called for the purpose of considering currency as well as tariff legislation. The committee is also instructed to act with the Commission that will be appointed either by Congress or by the Executive Committee of the Monetary Convention, to prepare a plan of currency reform.

William E. Dodge spoke strongly in favor of a currency system that would meet the needs of remote parts of the country.

—The large accumulations of idle money have led some of the banks to reduce the rate of interest on bank deposits, the reduction being from 2 to 1½ per cent.

—A number of changes in the officers and directors of the city banks, which occurred too late for publication in the January number, may be found under the head "Changes in Officers," etc., on this issue.

—William P. St. John, former President of the Mercantile National Bank, has been dropped from the directorate of that institution and also from that of the Second National Bank. Mr. St. John has been a prominent advocate of free silver for some years past.

—The plan of a majority of depositors to start up a new bank on the ruins of the defunct Murray Hill Bank was destroyed by a recent decision of the Supreme Court, and the result is that Receivers Trask and O'Brien will remain in charge of the bank's assets.

—J. Edward Simmons, President of the Fourth National Bank, the New York Clearing-House Association, and other institutions, recently announced that he would take a two months' recreation trip to Southern California and New Mexico. James G. Cannon, Vice-President of the Fourth National Bank, will act as President in Mr. Simmons' absence. Henry W. Cannon, President of the Chase National Bank, will act as President of the Clearing-House Association.

—Fernando Baites, for many years Cashier of the Mechanics and Traders' Bank, has been elected to succeed President Boskowitz, who resigned. Robert J. Hoguet and Isaac Stiebel were elected Vice Presidents, and new directors were elected in the persons of E. A. Quintard, President of the Citizens' Savings Bank, and C. C. Dickinson.

—Secretary of War Daniel S. Lamont was elected a director of the National Union Bank at the recent annual meeting.

—The Market and Fulton National Bank building is now being enlarged. The bank has purchased a lot on Ann street, 25 by 60 feet in area, adjoining the present building, upon which an addition will be erected and the present building carried up three stories, making the entire structure, when completed, 10 stories high. An additional elevator will be placed in the building. The bank's quarters will be considerably enlarged.

—Group IX. of the State Bankers' Association had a meeting and banquet at the Hotel Manhattan, February 9. At the main table with Chairman Schenck were: Mayor Strong, Lieutenant-Governor Woodruff, Assistant United States Treasurer Conrad N. Jordan, Comptroller James H. Eckels, Frederick D. Kilburn, Superintendent of the State Banking Department: Robert J. Lowry, President of the American Bankers' Association; Henry W. Cannon, President of the Chase National Bank; J. Edward Simmons, President of the Fourth National Bank and the Clearing-House Association; Rev. Abbott E. Kittredge, D.D.; Col. E. C. James, Frederick D. Tappen, President of the Gallatin National Bank; William A. Nash, President of the Corn Exchange Bank, and Seymour Dexter, President of the Second National Bank, Elmira, and also President of the New York State Bankers' Association.

NEW ENGLAND STATES.

Boston.—At the election held on January 13, by the Second National Bank, J. M. Sears and W. B. Thomas were added to the directorate.

—The law abolishing days of grace, except on sight drafts, is now in effect in this State.

Rhode Island Savings.—The resources of the Savings banks of Rhode Island, according to recent reports to the State Auditor, amount to $72,591,433.

Vermont Inspector of Finance.—Gov. Grout, of Vermont, has appointed Hon. Hosea Mann, Inspector of Finance of that State. The new officer is a lawyer and also an experienced banker, having been Treasurer of the Wilmington Savings Bank from 1879 to 1885.

Proposed Bank Law.—A bill has been introduced in the Connecticut Legislature providing that all persons of foreign birth carrying on the business of banking or dealing in foreign money orders or receiving money on trust, shall deposit a bond for $50,000 with the State Treasurer. Such bankers must be naturalized citizens. For failure to comply with the law the maximum fine is $5,000 and jail sentence of one year.

Fast Day in New Hampshire.—The Senate has rejected the bill, passed by the House, abolishing Fast Day.

Savings Bank Enjoined.—On February 8 the Willimantic (Conn.) Savings Institute was enjoined from paying any money to depositors or from declaring a dividend for nine months. There was a run on the bank some time ago, which caused it to require four months' notice of withdrawals. This period had about expired when the injunction was served.

MIDDLE STATES.

Brooklyn, N. Y.—At the recent meeting of Group VIII. of the New York State Bankers' Association an interesting paper was read by Samuel R. Smith, President of the Far Rockaway Bank, on "Western Investments." He thought that much had been lost on this class of securities solely through lack of proper discrimination. He cited instances where banks had steadily made money on this kind of security, while others had lost heavily on eastern commercial paper.

In regard to loans on real estate, Mr. Smith thought more discretion should be left to the banks, citing a recent MAGAZINE editorial on this subject.

H. Bernard Coombe, Cashier of the People's Bank, of this city, also read a valuable paper on Banks and Bank Depositors."

New York Savings Banks.—The reports of the 127 Savings banks in New York State for the year ending December 31 last, filed with the State Banking Department, and recently tabulated, show aggregate resources of $812,175,632, as compared with $783,078,580 the previous year, an increase of $29,095,052. The aggregate surplus of these banks has increased from $90,955,321 to $93,653,237. There was nearly a million dollars more money deposited during the year than was taken out by depositors. The amount deposited was less in 1896 than the year before by $1,405,899, the total amount deposited last year being $208,801,219, and in 1895 $210,207,118. There was much more money withdrawn last year than in the previous

year, the figures showing a total for 1896 of $207,822,905, as compared with $187,328,190 in 1895, the increase being $20,494,715.

Proposed Bank Laws.—Bills relating to banking have been introduced in the New York Legislature as follows:

Mr. Myers.—Requiring Savings banks to annually notify depositors by mail of all balances standing to their credit.

Mr. Sullivan.—Requiring private bankers in any city having a population of 50,000 or more to deposit with the Comptroller of the State the sum of $15,000 or a bond for that amount on or before February 1 in each year.

Mr. Abell.—Amending the banking law. It provides that the stockholders in every bank or banking association, organized under the authority of the State or the United States, shall be assessed and taxed on the value of their shares of stock therein.

Bank Resumption.—The First National Bank, Hollidaysburg, Pa., which suspended on December 14, has effected a reorganization, and resumed business on January 27, with $50,000 capital.

Safe Deposit Companies.—The sixteen safe deposit companies of New York State have total resources amounting to $4,677,325.

Pennsylvania Bankers.—Group V. of the Pennsylvania Bankers' Association held its annual meeting at Harrisburg, January 20, and elected the following officers: President, R. M. Henderson, Carlisle; secretary and treasurer, P. Duncan, Duncannon; executive committee, P. E. Slaymaker, Lancaster; James A. Myers, Columbia; W. K. Alrick, Harrisburg, and F. K. Ployer, Mechanicsburg.

State Bank Officials Resign.—It is reported that Colonel E. L. Judson, who has been for the past two years connected with the New York State Banking Department, has tendered his resignation as Bank Examiner to Superintendent Kilburn. It is understood that Colonel Judson contemplates making connections with a large financial institution in New York.

—Charles R. Hall has tendered his resignation as Chief of the Foreign Mortgage and Building and Loan Bureau of the New York State Banking Department, to take effect March 1. Mr. Hall has been connected with the Banking Department since 1889, and vacates his present place to be an examiner for the department in the field, that he may come into closer touch with the associations examined. George I. Skinner, a lawyer of Bainbridge, Chenango county, will be his successor in the office.

Pennsylvania Banks Organize.—A meeting of representatives of different banks of Beaver county, Pa., was held in the First National Bank at New Brighton, January 15, and an organization formed to be known as the Associated Bankers of the Beaver Valley. Temporary officers were elected as follows: President, J. T. Reeves; secretary, E. H. Sieple. A committee was appointed to draft by-laws and map out a plan for the management of the clearing-house.

New National Bank.—The People's National Bank is being organized at Jeannette, Pa., and will begin business about April 1.

A Cashier Promoted.—At the annual meeting of the First National Bank, Port Jervis, N. Y., on January 16, President M. C. Everitt declined re-election, and Cashier Charles F. Van Inwegen was chosen as his successor. Under the management of Mr. Everitt as President the deposits of the bank increased from $50,000 to $473,000, and the value of the stock rose from par to the present actual value of 190.

Charles F. Van Inwegen, the new President, entered the bank as a clerk in 1871, becoming teller in 1873, and Cashier in 1874. He is a thorough banker, and the growth and prosperity of the First National Bank of Port Jervis may be largely attributed to his work in its behalf. Mr. Van Inwegen is Secretary of Group VII. of the New York State Bankers' Association, and also treasurer of the general State association. He has a wide acquaintance amongst the bankers of the State, and is highly regarded.

Fred. B. Post succeeds Mr. Van Inwegen as Cashier.

Washington, D. C.—At a meeting of the board of directors of the Traders' National Bank, January 14, John C. Athey was elected Cashier in place of Brenton L. Baldwin, deceased. John G. Muir was chosen Assistant Cashier, succeeding Mr. Athey, promoted.

A Prosperous Bank.—The First National Bank, of Wilkinsburg (post-office, Pittsburg), recently elected the old board of directors. Although the bank has been doing business less than five years it has had a remarkably prosperous career, despite the 1893 panic and the financial uncertainty following the silver agitation. The earnings for the past six months were larger than for any preceding half year. The regular semi-annual dividend of three per cent. was declared, and $5,000 was added to the surplus fund, increasing the latter to $32,000, and leaving undivided profits of a little more than $3,000. The surplus and undivided profits are now equal to 70 per cent. on the capital of $50,000, and the total net earnings in the four

and a half years since the bank began business amount to about 85 per cent., or at an average of nearly 20 per cent. per annum. The bank has over 1,400 open accounts, and the number is steadily increasing.

Buffalo, N. Y.—At the recent election of the People's Bank the former officers were re-elected, and the office of Second Vice-President was created as a compliment to Cashier Clarence W. Hammond, who will hereafter fill both offices. Mr. Hammond was practically the founder of the People's Bank, of which he has been Cashier since its organization in 1889, and has shown great zeal in working in behalf of the institution. He has been granted an unlimited leave of absence from the bank, and will visit in the South and on the Pacific coast for several months.

New York Trust Companies.—The tabulation made in the State Banking Department of the financial operations of the trust companies in the State of New York for the year ending December 31 last, presents the following showing:

The total resources as compared with the year ended December 31, 1895, have increased $4,112,902. The total profits have increased $1,908,969. The amount loaned on collateral and personal securities decreased $4,270,105, while the amount of cash on hand and on deposit was increased $3,838,206. The total surplus was increased $5,345,324.

The amount of deposits decreased $1,997,255, and the undivided profits decreased $1,416,141. The amount of dividends declared during the year was $4,220,000, an increase of $374,500. The amount of interest credited depositors and the expenses of the institutions during the year exceeded the total amount of the profits of the trust companies by $1,421,408.

The total amount of the resources of the trust companies of the State on Jan. 1 last, as shown by their reports for the year filed with the State Banking Department, was $396,742,947.

Interest Rates Too High.—Superintendent Kilburn of the New York State Banking Department has recently been calling the attention of bankers in certain localities of the State to the fact that they were paying too large a rate of interest on deposits, this rate in many places being as high as four per cent., and in one or two instances higher. The Superintendent argues that payment of large rates of interest by banks of discount hardly conforms to the purposes of their organization, and is not consistent with the highest degree of safety and service to the public. He insists that the payment of interest at such large rates is a continuing drain upon the earnings of the banks and a constant menace to their safe and conservative management.

SOUTHERN STATES.

Lynchburg, Va.—There has been an important sale of the stock of the National Exchange Bank to local business men. J. R. Gilliam succeeds J. W. Watts as President.

Branch Banks in North Carolina.—S. Wittkowsky, of Charlotte, N. C., and associates, will make application to the Legislature for a charter for a new bank, which in its operations will differ in some material respects from any such institution now in business in that State. The parent office is to be located in Charlotte, but the intention is to establish branches all over the State in smaller towns, after the manner of the Canadian system. In addition to the regular features of a bank of deposit and savings are to be those of trust and warehouse companies.

Run on a Bank.—Unfounded rumors, believed to be due to local political prejudices, recently caused a slight run on the National Bank of Brunswick, Ga., which it easily withstood, having abundant cash on hand—25 per cent. more than the required reserve.

New Bank at Selma, Ala.—Messrs. Ernst Bros., of New York, will open a new bank at Selma, Ala.

Prosperity in Arkansas.—The First National Bank, Helena, Ark., recently declared a dividend of five per cent. out of the earnings for the past six months and added $1,000 to surplus.

Bank Goes Out of Business.—The Merchants and Planters' Bank, West Point, Ga., has paid depositors, divided the profits amongst the stockholders, and retired from business.

Macon, Ga.—J. W. Cabaniss is the new President of the Exchange Bank, succeeding the late Col. Henry J. Lamar. Mr. Cabaniss was Cashier of the bank for eighteen years, and the institution has prospered greatly during that time. Geo. B. Turpin, Vice-President of the bank, has retired from active business and has been succeeded by S. S. Dunlap. Cliff M. Orr succeeds Mr. Cabaniss as Cashier.

WESTERN STATES.

Chicago.—The private banking firm of Foreman Bros. has been incorporated as the Foreman Bros. Banking Co., with $500,000 capital and the same amount of surplus.

—Rumors connect the name of Comptroller Eckels with the presidency of a large financial institution recently organized in this city. He has also been mentioned as a possible succes-

sor to Mr. Gage as President of the First National Bank, when the latter becomes Secretary of the Treasury. The opinion of local bankers is that Mr. Gage will be succeeded by John B. Forgan, the Vice-President of the bank, or that S. M. Nickerson, former President, who was succeeded by Mr. Gage, will reassume the presidency.

LATER.—Samuel M. Nickerson succeeds Mr. Gage as President.

—On Jan. 15 a dividend of 50 per cent. was paid to creditors of the Atlas National Bank.

—Charles G. Dawes, of Evanston, will be Comptroller of the Currency, to succeed Mr. Eckels. Mr. Dawes was born in Marietta, Ohio, on August 27, 1865, and graduated from Marietta College in 1884, and from the Cincinnati Law School in 1886. In 1887 he left Ohio for Lincoln, Neb., where he became prominent as a lawyer and business man. He was also a student of financial questions, and in 1894 published a book on the banking system of the United States. He has been for many years a National bank director.

He became a resident of Evanston, Ill., in 1893, having become interested in the Northwestern Gas and Coke Company, of that place. He was the leader in the McKinley movement in Illinois, which ended in instructions for McKinley at the Springfield convention. He was then appointed as the member from Illinois of the Executive Committee of the Republican National Committee.

Michigan Bank News.—A bill is pending in the Legislature making the following changes in the banking laws: Placing private banks under State supervision; requiring Savings banks to pay interest for the entire time the money is on deposit; making banks liable to depositors of savings if money is paid out on forged orders.

—Josiah E. Just, of the Ionia County Savings Bank, has been selected as Bank Commissioner by the new State administration.

—The deposits in the State banks of Michigan are $67,479,600, and the total resources $85,686,000.

—Attorney-General Maynard is making an investigation of the banking laws of various States with a view to preparing a bill for corrections of the Michigan law. One of the reforms proposed is to make the officers and directors liable for the entire indebtedness of a bank, and to make insolvency a case of felony, the burden of proof to rest on the officers to prove that it was not due to criminality on their part. In civil cases it is proposed to make the agreement of three-fourths of the jury a verdict.

Toledo, Ohio.—The Ohio Savings Bank and Trust Co. will begin business on March 1 with $350,000 capital, one-half of which will be paid up and the balance subject to call.

A New Bank Building.—The Dollar Savings and Trust Co., Youngstown, Ohio, has purchased a business block, and will have the ground floor remodelled, making it practically new, and fitted up in the most modern style. The bank lately re-elected its former officers.

St. Louis.—Judge Geo. A. Madill has been elected a director of the St. Louis National Bank.

—C. H. Huttig succeeds Thos. A. Stoddart as Vice-President of the Third National Bank.

—R. R. Hutchinson succeeds D. K. Ferguson as President of the Mechanics' Bank. Mr. Ferguson was one of the founders of the bank and has been its President for nearly twenty years. He declined re-election on account of failing health, but will continue to serve the bank in the capacity of Vice-President.

Indianapolis, Ind.—On January 12 the Indiana National Bank moved into its new home at Pennsylvania street and Virginia avenue.

St. Paul, Minn.—A resolution was recently introduced into the Chamber of Commerce of this city proposing the enactment of a law giving all commercial banks throughout the country the right to require sixty days' notice before paying deposits. The proposition was universally condemned by the bankers of the city as being in violation of the essential principles of commercial banking.

Dakota Bankers Organize.—A number of the bankers of North Dakota met at Fargo, on January 8, and organized the North Dakota Bankers' Association. E. P. Wells, President of the James River National Bank, Jamestown, was elected president, and S. S. Lyon, Cashier of the First National Bank, Fargo, secretary and treasurer.

Colorado Bankers Acquitted.—On January 14, a jury in the United States District Court brought in a verdict of acquittal in the case against W. H. Cochran, President, and R. H. Sayres, Cashier, of the First National Bank of Del Norte, Colo., which closed its doors in 1892, who were charged with having made a false report to the Comptroller of the Currency.

An Ohio Bank Swindled.—The Bank of Mansfield, Ohio, was recently victimized by a forged New York draft for $600. W. J. Richards (the name given by a man who has been a

depositor at the bank since December 7), presented the draft, indorsed it, and deposited it with the bank and checked out against his account $500, leaving a supposed balance of $100 to his credit. Telegraphic inquiry of the First National Bank of Mt. Gilead, from which the draft was issued, showed that the sum was for $2.38, and that the draft was raised.

A Sound Western Bank.—The First National Bank, Sauk Centre, Minn., which began business almost thirteen years ago, has done a constantly increasing business. Its deposits have grown from $21,000 in 1884 to $116,000 in December last. During the same time the surplus and profits have increased from $3,000 to $28,000, and the total resources from $85,400 to $205,900. Its officers are: President, Henry Keller; Vice-President, S. M. Bruce; Cashier, C. M. Sprague; Assistant Cashier, F. W. Sprague.

PACIFIC SLOPE.

San Francisco.—Geo. Stone has been elected President of the People's Home Savings Bank to succeed Gen. John F. Sheehan.

—This city claims the smallest debt, both absolute and per capita, of any of the principal cities of the country. The rank of the city in point of wealth is also very high.

—On February 3, the supreme court rendered a decision in the case of O. McHenry and other stockholders of the First National Bank of Modesto against W. A. Downer, Tax Collector of Stanislaus county. The parties in interest submitted an agreed case to the Stanislaus Superior Court for a decision. The lower court decided in favor of the tax collector, and held that National bank stock could be taxed in California. The bank people appealed to the supreme court. The latter not only reverses the lower court, but directs it to enter judgment in favor of the bank people. Following is a syllabus of the opinion:

"National banks are agencies of the Federal Government, selected as a necessary or convenient means to the exercise of its functions, and are not, except by its consent, subject to the taxing powers of the States.

Under section 3608 of the Political Code, shares of stock in National banks are not subject to assessment for the purposes of taxation.

If it be conceded that the latter section has no application to the shares of stock in National banks, and that they may be assessed as other personal property, then the machinery provided therefor works such a discrimination in favor of State banks and against shares of National banks that it is violative of the restrictions of the Act of Congress of June 3, 1864, as amended February 10, 1868. (See section 5219, Revised Statutes, United States.)"

Bank Wanted.—A bank is said to be needed at Arroyo Grande, Cal.

Robberies, Defalcations, Embezzlements, Etc.

—C. E. Breder, Cashier of the First National Bank, Bethlehem, Pa., has absconded, leaving a shortage of about $12,000 in his accounts.

—Lee B. McFarland, recently promoted from the position of teller to that of Assistant Cashier of the Second National Bank of Parkersburg, W. Va., is reported to be $43,000 short in his accounts as a result of speculation.

—Bradley's Bank, at Eldon, Iowa, was robbed of $7,000 on February 1, the safe being blown open.

—At Denver, Colo., on January 30, Judge Hallett, in the United States Court, sentenced C. H. Dow, former President of the Commercial Bank of Denver; S. B. McClurken, teller, and Dr. G. F. Miller, customer and resident of Chicago, to the penitentiary at Leavenworth, Kan., for wrecking the bank. Dr. Miller was sentenced to ten years, Dow to seven years, and McClurken to five years.

—The United States Supreme Court recently confirmed the sentence of five years' imprisonment imposed upon E. W. Agnew for embezzlement while President of the First National Bank, Ocala, Fla.

—Cashier Stone, of the failed Sioux City (Iowa) Savings Bank, is charged with forgery, withdrawing the bank's money to his own use on worthless securities, etc.

—Col. William Jack, one of the three partners in the defunct banking house of Gardner, Morrow & Co., Hollidaysburg, Pa., was arrested on February 5 for taking deposits after he knew that the bank was insolvent. The accused claims that he had no knowledge of the bank's condition, and that he was partner in name only.

—Henry Durk, Cashier of the failed First National Bank, Niagara Falls, N. Y., is alleged to have misappropriated trust funds. He is also otherwise implicated in wrecking the bank.

—On Feb. 8 R. B. McConnell, President of the Merchants' National Bank, Ocala, Fla., which closed on January 14, was arrested on the charge of falsifying the books of the bank and embezzling $80,000 of its funds.

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

Alabama.—The statement of the assignee of the Commercial Bank of Selma, which closed Dec. 30, was filed Jan. 12. The cash and securities in the hands of the assignees are valued at $70,000, while the deposits are $110,000. Of this $18,000 is due the Western Railway and is secondary. This leaves $92,000 preferred with which to pay depositors. Other prior claims, such as taxes, $7,000; rent, $8,000; expenses assignment, say $10,000, will leave to depositors about 50c. on the dollar. Included in the assets is real estate which may increase the dividend to depositors; also, some $113,000 of life insurance which in time will be live assets. The rediscounts were large and were held chiefly in New York. The collateral held for these loans amounts to $680,000, while the loans are about $450,000. The cash in vault was found to be $19,150.51, a part of which came in the day of the failure, and will be refunded.

—The Bank of Piedmont on January 19 voluntarily placed its assets in the hands of J. D. Stewart, who will wind up his business.

Connecticut—HARTFORD.—The committee appointed to investigate the affairs of the assigned banking firm of Geo. P. Bissell & Co. reported on January 18. The firm was composed of Albert H. Olmstead, of this city, and Charles H. Colt, Vice-President of the Litchfield National Bank of Litchfield. The business is now in the hands of a Receiver, and may pay something though not much. The report of the committee shows that when the firm started it had $488,000 in deposits and $541,000 in assets, with first-class securities. But it came to deal in depreciated securities, and Olmstead's management was of a remarkable character. He had what was known as "Mrs. Olmstead's insurance fund account," which, he explained, was started and used in place of contemplated life insurance, and was the equivalent of policy payments on his own life for the benefit of his wife. On this account he made an occasional deposit, the money coming from his personal account and other sources, and in the name of this account he bought, owned and sold stocks. Out of this fund he bought the lot where he now resides, taking the deed in his wife's name, and out of this fund he built his present residence. The method he adopted to pay for the house was to open an "A. H. Olmstead special account," on which he drew checks as he needed to pay for the house. This special account was used only between 1885 and 1889, and received $26,000 from the insurance fund, $13,500 from Olmstead's personal account and $8,000 in a check from Colonel Bissell. This $47,000 all went into the house. In 1893 Olmstead drew on his personal account $11,121, or $8,121 more than his salary, and so, during the years that the firm was dividing losses, he drew altogether $20,000 more than his salary. The total amount taken from his personal account in this period is substantially equal to his salary, his partner's salary and the entire amount charged as losses against both members of the firm. It is further stated that Olmstead's relatives, his attorney and his friends drew out most of their accounts to the amount of $30,644, a few days before the assignment, and in some cases they overdrew. The committee finds nothing to reflect on the character of Mr. Colt.

Colorado—DENVER.—Report of the Receiver of the Rocky Mountain Savings Bank for the past year shows: Receipts, $4,412; expenses, $3,372; balance, $1,040.

—On January 16 the Washington County Bank, Akron, was placed in the hands of A. J. Johnson and H. G. Newsom, Receivers.

Florida.—On January 14 the Merchants' National Bank, Ocala, closed. The bank had a capital of $100,000, liabilities $154,000. The cause assigned for the failure was that it was impossible to make collections. The bank was founded seventeen years ago by John F. Dunn in opposition to the First National Bank, which failed two years ago, and whose President, E. W. Agnew, is under five years' sentence for embezzling bank funds.

—The Orange City Bank, a private institution, of which John E. Stillman is President, assigned January 14 to R. S. Leavitt.

—The Brooksville State Bank closed January 14 on account of the suspension of the Merchants' National Bank, Ocala.

Georgia—ATLANTA.—The State Savings Bank went into the hands of a temporary Receiver February 9. It was organized in 1891 with $100,000 capital.

Idaho.—The Moscow National Bank, Moscow, closed February 2. Deposit liabilities were slightly above $100,000.

Illinois—CHICAGO.—The Dime Savings Bank, which suspended payment some time ago, went into the hands of Ralph Metcalf, Receiver, on January 30. There was sufficient cash on hand to pay a dividend of 30 per cent. to depositors, amounting to $119,438. Liabilities to depositors and others, before this payment, amounted to $365,000.

—The City National Bank, Streator, has notified its depositors to call for their money, as the bank is going out of business. It was organized six years ago; capital, $100,000. For the last eighteen months business has been dull, and the stockholders decided their money could be more profitably invested.

—The Farmers and Merchants' Bank, Freeport, has arranged with another bank to pay off its deposits, and will go out of business. After paying depositors stockholders will receive a dividend. The bank was organized in 1892 with $100,000 capital.

Indiana.—The Upland Bank, Upland, whose probable liquidation was announced some time ago, closed on January 23. Bank had been doing business for five years, and had lost about $50,000. It was closed temporarily at one time during the 1893 panic.

Iowa.—The German Savings Bank, Des Moines, assigned to T. Blackburn, January 21. It was a large institution, having deposits amounting to $554,000, and $50,000 capital, which was to have been increased to $75,000. Failure was due to loaning too closely. As the stockholders are wealthy it is thought a reorganization may be effected.

—The First National Bank, Griswold, closed February 5. The capital of the bank is $50,000. On December 17, its total liabilities were $80,000 and its surplus $10,000. The total assets of the bank were given at $147,000.

Kansas.—On January 13 the State Bank of Hollenberg, went into voluntary liquidation, arrangements being made to pay the deposits, which were small.

—The Merchants' State Bank, Hoisington went into voluntary liquidation January 10, paying depositors in full. Its business was transferred to the Hoisington State Bank.

Kentucky—LOUISVILLE.—The German National Bank suspended January 18. The capital stock is $251,500, with a surplus of $31,000. The bank had been in a shaky condition for three years, owing to the failure of another bank, by which it lost $75,000, and there are also law-suits involving between $250,000 and $300,000 pending, growing out of the bank's connection with the failure. President McKnight says depositors will be paid. The bank has on hand $60,000 in cash. The deposits subject to check are about $255,000. There are also certificates of deposit for $60,000. Stock of the bank had lately sold at twenty-five cents a share.

The bank was organized in August, 1872, under the style, "The Western Savings Bank, of Louisville." Some of the stockholders then objected to its being a State bank, insisting that it should be a National bank. The plan was changed, and the bank was finally opened.

—The Germania Safety Vault and Trust Company went into the hands of Charles Taylor, Receiver, January 20. The step was brought about by a suit filed declaring that the company did not have invested such funds as were required by law, and also that it had on deposit with the German National Bank, now in the hands of a bank examiner, about $100,000.

—The First National Bank, of Newport, closed January 18. Examination of the books shows the liabilities of the bank, through loans made to ex-Cashier Youtsey direct and partly through friends, to foot up $350,000, and on the transfer to the bank of securities by Youtsey, it is claimed, not more than twenty-five cents on the dollar can be realized.

Massachusetts—BOSTON.—E. C. Hodges & Co. assigned to Geo. E. Dixon, Feb. 2.

Michigan.—During the past three years about $1,250,000 of savings deposits have been tied up in three failed banks at Lansing. Depositors in one bank, after waiting three years, have received dividends aggregating 55 per cent. of what they put in, with a possibility of receiving 15 per cent. more. Depositors in a second bank may get 100 cents on the dollar, and the third may, in time, be able to pay 50 cents. Excessive loans and loose banking methods are said to have caused the failures.

Minnesota—MINNEAPOLIS.—The Receiver of the Bank of New England has collected $74,214, out of which he has paid $7,010 as expenses, $2,030 disbursed in the settlement of claims and taxes, and to the State of Minnesota as a preferred claim, $61,208. The Receiver has in cash on hand $3,918. The court allows John P. Rea, Receiver, for services rendered, $9,000, of which he has already paid himself $4,250. Louis A. Reed, his attorney, is allowed $4,500, of which he has received $922. As there is not enough money to pay these allowances, the two are to divide the money they have on hand between them, and to pay themselves the balance out of the first moneys collected. The depositors have not yet been paid anything.

The Bankers' Exchange Bank, which suspended in December and resumed on January 7, went into the hands of Otto Rood, Receiver, on February 10. After the reopening there was a heavy loss in deposits. It is said the bank will be able to pay its deposits in thirty days.

On January 14 the Comptroller of the Currency appointed J. B. Atwater Receiver of the Columbia National Bank.

—ST. PAUL.—The Minnesota Savings Bank assigned to Wm. Bickel, Sr., January 18. Failure was due to a run following the suspensions recently occurring here. Liabilities are $210,000, and the assets are reported to be $10,000 above that amount.

On January 14 the Receivers of the Bank of Minnnesota filed their statement. The nominal assets amount to $3,170,726, and the liabilities $2,325,522. There was due the bank from certain of its officers the sum of $313,046; from officers and directors upon their indorsement and guaranties, $420,915; from other concerns in which certain officers and directors were largely interested, $52,000. In these sums are included about $66,000 overdrafts. Upon the indebtedness mentioned the Receivers have been paid $35,580, and for $29,500 the Receivers hold securities. The Receivers are of the opinion that little can be realized on the suspense, judgment and sundry stocks and bond accounts, amounting to $126,000. Including cash on hand when the Receivers took possession, they now have on hand $165,213. A movement is under way for reorganization.

—On January 12 the Citizens' National Bank, Fergus Falls, voted to go into liquidation. The bank was established in 1883 and had $75,000 capital. Depositors will be paid.

Missouri.—The Bank of Conway, capital, $10,000, assigned to Charles C. Draper, January 16.

—The Bank of Mayview closed January 12. The assets and liabilities are not known, but the officials claim that they will pay dollar for dollar. This bank's safe was blown up by burglars recently, but they did not secure any money.

—The Kidder Savings Bank, of Kidder, has been closed by the State Bank Examiner, and R. H. Schwenberger appointed Receiver. Liabilities, $23,050; assets, $34,000.

Montana.—The Northwestern National Bank, Great Falls, closed February 5. Rumors of a heavy defalcation were spread, and it was admitted by the officers that grave complications had arisen. The trouble arose out of a recent sale of stock, whereby the Conrad Brothers disposed of holdings to R. D. Hatcher, who claimed to represent eastern parties. The purchase money, amounting to some $180,000, was paid to the Conrads, and was supposed to come from Hatcher's clients.

Later it was discovered that $177,000 which the Northwestern National Bank had in the Globe National Bank, of Boston, had disappeared. The transfer of the money from the Globe National to a New York bank was known to the directors, but Hatcher had said that officials of that bank were among the purchasers and it was supposed that the money transferred came from them. The Northwestern books show a credit of $177,000 at Boston, while the Globe National's books show a small overdraft. The last statement shows deposits of $597,394 and assets of about $750,000. The officers say depositors will be paid. The Northwestern National had a capital of $250,000 and an advertised surplus of $50,000.

Nebraska.—The Citizens' State Bank, of Fullerton, closed January 15. The officers say that depositors will be paid in full.

North Carolina.—The Loan and Savings Bank, Charlotte, voted on January 13 to close up its affairs and go out of business. It is said to be solvent and able to pay depositors. Stockholders also expect to realize par for the stock.

Ohio.—The First National Bank, Franklin, closed February 5. The directors found they had money sufficient to pay off all their depositors, and concluded that as there was a steady falling off in receipts it was an opportune time to wind up the bank's affairs. The bank failed about a year ago. The bank owes depositors $75,000. It has assets, including bonds, of $158,000, and a surplus of $10,000. Its capital is $50,000.

Pennsylvania.—The Chester County Guarantee, Trust and Safe Deposit Co., West Chester, suspended February 2. Deposits, $500,000; nominal value of assets, $1,000,000.

Tennessee.—The Wautaga Bank, Johnson City, assigned February 4. Assets are claimed to be largely in excess of liabilities.

Washington—SEATTLE.—On January 13 the Seattle Savings Bank closed owing to heavy withdrawals of county funds. The liabilities are $70,000 and the assets $104,000.

—The First National Bank, Oakesdale, is reported in voluntary liquidation.

—The report of the Receiver of the Marine Savings Bank, Ballard, filed on January 14, shows: individual deposits, $5,462; time certificates, $2,125; Savings banks' deposits, $1,797; total, $9,384. The collectible assets are $1,902.

—On January 27 the First National Bank, Olympia, suspended owing to heavy withdrawals. The State Treasurer withdrew $35,000, which started a run by the other depositors. Liabilities are $100,000, of which $75,000 is individual deposits. Assets are placed at $226,000.

—The Bank of Montesano was reported closed on February 1. The business had been conducted by C. N. Byles & Co., who absorbed the First National Bank about two years ago.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5053—National Bank of Walden, Walden, New York. Capital, $50,000.
5056—National Bank of Commerce, Memphis, Tennessee. Capital, $1,000,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Ham National Bank, Mount Vernon, Ill.; by C. D. Ham, *et al.*
National Bank of Ashtabula, Ashtabula, Ohio; by B. B. Seymour, *et al.*
First National Bank, Summit, N. J.; by W. Z. Larned, *et al.*
Simpson National Bank, Eagle Pass, Texas; by M. L. Oppenheimer, *et al.*
Ohio National Bank, Columbus, Ohio; by Emil Kieswetter, *et al.*
National Bank of Gaffney, Gaffney, S. C.; by F. G. Stacy, *et al.*
Union National Bank, Newport, Ky.; by Jno. A. Williamson, *et al.*
First National Bank, Edwardsville, Ill.; by August Schalfly, *et al.*

NEW BANKS, BANKERS, ETC.

ALABAMA.

PIEDMONT—E. W. Lebetter & Co. (successors to Bank of Piedmont).
SELMA—Ernst Bros.

CALIFORNIA.

RANDSBURG—Bank of Randsburg.
SAN JOSE—Bank of James A. Costa & Co.

FLORIDA.

APALACHICOLA—Capital City Bank (branch).

GEORGIA.

SAVANNAH—United States Loan and Tr. Co.

ILLINOIS.

ALTAMONT—M. E. Hogan.
CHICAGO—Logan Square Safe Deposit and Trust Co.; capital, $30,000.—General Trust Co.; capital, $5,000,000.—Foreman Bros. Banking Co.; incorporated; (successors to Foreman Bros.); capital, $500,000. Pres., Edwin G. Foreman; Vice-Pres., Oscar G. Foreman; Cas., Geo. H. Neise.
LA HARPE—State Bank; capital, $25,000.

IOWA.

HARLAN—Harlan Bank (Albertus & Walters); capital, $50,000; Pres., Fred Albertus; Cash., Geo. Walters; Asst. Cash. Minnie V. Walters.
KEOTA—State Bank.
MORAVIA—Bank of Moravia (G. W. Sturdivant).
POCAHONTAS—Bank of Pocahontas; capital, $25,000; Pres., Jno. H. Slegge; Vice-Pres., G. A. Heald; Cas., T. F. McCartan.
WEST LIBERTY—Iowa State Bank; capital, $31,200; Pres., Jno. S. Taylor; Cas., I. A. Nichols; Asst. Cas., Chas. E. Ball.

KANSAS.

ANTHONY—Anthony State Bank (successor to Harper Co. Bank); capital, $5,000; Pres., Jno. D. Brown; Cas., W. E. Blackburn; Asst. Cas., Samuel L. Smith.
BAXTER SPRINGS—Traders' Bank; capital, $5,000; Jno. M. Cooper, Pres.; J. N. McDonald, Cas.
POWHATTAN—Bank of Powhattan; capital, $60,000; Pres., Jessie Fletcher; Cas., C. O. Dimmock.

MICHIGAN.

BIG RAPIDS—F. Fairman; capital, $10,000.
VASSAR—State Savings Bank (successor to Vassar Exchange Bank); capital, $25,000; Pres., I. Gibbard; Vice-Pres., B. W. Huston; Cas., C. A. Curtis; Asst. Cas., G. R. Buck.

MINNESOTA.

DEXTER—Farmers' Bank; capital, $5,000; Pres., S. A. Sorensen.
SANBORN—Sanborn Bank.

MISSISSIPPI.

AMORY—Bank of Amory; capital, $30,000; Pres., E. D. Gilmore; Cas., T. J. Gilmore.
CENTREVILLE—McKee & Redhead; capital, $20,000; Pres. E. F. McKee; Vice-Pres. Jno. A. Redhead.

MISSOURI.

GALLATIN—Gallatin Savings Bank (successor to Daviess Co. Sav. Assn.); capital, $25,000; Pres., J. W. Alexander; Cas., Chas. Henry.
WARRENSBURG—Farmers and Merchants' Bank; capital, $30,000; Pres., H. Y. Hughes; Cas., W. L. Embree; Asst. Cas., E. Z. Hughes.—Commercial Bank; Pres., A. S. Mayes; Cas., Frank Mayes.

NEBRASKA.

PIERCE—Pierce County Bank; capital, $25,000; H. S. Beck, Pres.; Woods Cones, Cas.

NEW YORK.

NEW YORK CITY—Ulman Brothers, 53 Exchange Pl.

PATCHOGUE—Union Savings Bank; Pres., Smith W. Conklin; Sec., Walter S. Rose.

PORT JEFFERSON—Exchange Bank; capital, $25,000; Pres., O. T. Fanning; Vice-Pres., M. L. Chambers; Cas., F. A. Kline.

NORTH CAROLINA.

ROCKY MOUNT—River Bank.

OHIO.

VERSAILLES—People's Bank; capital, $24,000; Pres., Adam Frankman; Cash., Felix Manier; Asst. Cas., J. S. Wade.

OREGON.

PENDLETON—Pendleton Trust Co.

PENNSYLVANIA.

MCDONALD—People's National Bank; Pres., J. P. Scott; Vice-Pres., Jas. G. Berry; Cas., A. J. McDonald.

SOUTH CAROLINA.

SALUDA—Bank of Saluda.

SOUTH DAKOTA.

STURGIS—Mead Co. Bank; capital, $20,000.

MITCHELL—Commercial Savings Bank; capital, $10,000; Pres. J. T. Morrow; Vice-Pres., S. Webber; Cas., H. R. Kibbee.

WEBSTER—Security Bank; capital, $5,000; Pres., L. G. Ochrenreiter; Cas., T. E. Egge.

RHODE ISLAND.

PROVIDENCE—Davis & Dexter.

TENNESSEE.

MARTIN—Mercantile Bank; capital, $75,000; Pres., R. E. Gardner; Cas., S. G. Hunsacker.

TEXAS.

CAMERON—Tandy, Patterson & Co.

WASHINGTON.

SPOKANE—Security Trust Co.

WEST VIRGINIA.

LEWISBURG—Bank of Greenbrier; capital, $25,000; Pres., David A. Dwyer; Cas., J. W. Dwyer.

ONTARIO.

BLENHEIM—R. J. Powell.

WINCHESTER—D. F. Sutherland.

BRITISH COLUMBIA

TRAIL—Bank of British North America. (Sub-agency).

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

EVERGREEN—Bank of Evergreen; capital, $25,000; W. S. Witham, Pres.; Jas. M. Sims, Vice-Pres.; R. G. Mills, Cas.

TALLADEGA—First National Bank; J. B. McMillan, Pres., in place of T. S. Plowman.

ARIZONA.

PRESCOTT—Bank of Arizona; M. B. Hazeltine, Cashier in place of W. E. Hazeltine.

ARKANSAS.

LITTLE ROCK—Bank of Commerce; Herman Kahn, Pres., in place of Fred. Kramer, deceased.——Arkansas National Bank; Fred. N. Rix, Cas.; no Asst. Cas. in place of Fred. N. Rix.——Bank of Little Rock; Maxwell Coffin, Pres.; W. E. Tobey, Vice-Pres.; H. A. Rowe, Cas.; T. W. Yeakle, Asst. Cas.

CALIFORNIA.

LOS ANGELES—Main Street Savings Bank; B. V. Duque, Cashier in place of Jno. V. Wachtel.——Citizens' Bank; Jno. J. Fay, Jr., Pres., in place of J. W. Brotherton, retired.

PASADENA—First National Bank: Ernest H. May, Cashier, in place of A. H. Conger; Henry Newby, Asst. Cas., in place of Ernest H. May.——Pasadena National Bank; Charles A. Smith, Cashier, in place of E. E. Jones.——Union Savings Bank; Robert Eason, Pres., in place of H. M. Gabriel; A. R. Metcalfe, Vice-Pres.; W. M. Eason, Cas., in place of Chas. M. Smith.

SAN LUIS OBISPO—California Mortgage and Savings Bank; main office removed to San Francisco; Henry Brunner, Mgr.

COLORADO.

ASPEN—First National Bank; T. J. Lyster, Pres., in place of W. S. Cheesman; Wm. J. Cox, Vice-Pres., in place of David R. C. Brown; Orin S. Moore, Cas., in place of T. J. Lyster; no Asst. Cas. in place of Orin S. Moore.

BOULDER—First National Bank; W. H. Allison, Cashier, in place of W. H. Thompson.

DENVER—American National Bank; B. N. Freeman, Cas.——National Bank of Commerce; G. Boettcher, Pres., in place of J. A. Cooper; D. C. Dodge, Vice-Pres.

LEADVILLE—Carbonate National Bank; A V. Hunter, Pres., in place of D. H. Dougan; Geo. W. Trimble, Vice-Pres., in place A. V. Hunter; Frank X. Hogan, Cas.; no Asst. Cas. in place of Frank X. Hogan.

PUEBLO—American National Bank; W. H. Thompson, Cas., in place of Robert Gibson.

CONNECTICUT.

DANIELSON—First National Bank of Killingly; Silas Hyde, Pres., in place of Abner Young.

NORWICH—Thames National Bank; Stephen B. Meech, Pres., in place of E. N. Gibbs; no Vice-Pres. in place of Stephen B. Meech.——First National Bank; H. W. Tibbets, Vice-Pres.; F. S. Jerome, Asst. Cas., in place of H. W. Tibbets.——Uncas National Bank; Jno. M. Johnson, Pres., in place of D. B. Spaulding; Wm. N. Blackstone, Vice-Pres., in place of Chas. Bard; Frederick T. Sayles, Asst. Cas.

SUFFIELD—First National Bank; no Vice-Pres. in place of H. S. Sheldon.

DELAWARE.

SEAFORD—First National Bank; Daniel J. Fooks, Vice-Pres.

DISTRICT OF COLUMBIA.

WASHINGTON—Traders' National Bank; Jno. C. Athey, Cas. in place of Brenton L. Baldwin, deceased; Jno. G. Muir, Asst. Cas., in place of Jno. C. Athey.——City National Bank; surplus increased to $300,000.—— Lincoln National Bank; H. F. Bauer, Asst. Cas.

FLORIDA.

TAMPA—Citizens' Bank and Trust Co.; C. E. Allen, Cas.

GEORGIA.

AMERICUS—People's National Bank; W. H. Simmons, Pres. in place of John Windsor; John Windsor, Cas.

ATLANTA—Atlanta Trust and Banking Co.; A. P. Morgan and J. C. Kirkpatrick, Vice-Pres.; Chas. Runnette, Cas.; Chas. Roberts, Asst. Cas.

BARNESVILLE—Barnesville Savings Bank; W. S. Witham, Pres.; H. P. Powell, Cas.; J. F. Taylor, Vice-Pres.

CALHOUN—Bank of Calhoun; B. G. Boaz, Jr., Cas. in place of H. J. Doughty.

JACKSON—Jackson Banking Co.; L. D. Watson, Cas. in place of F. S. Cater.

MACON—Exchange Bank; J. W. Cabaniss, Pres. in place of H. J. Lamar; S. S. Dunlap, Vice-Pres. in place of Geo. B. Turpin; C. M. Orr, Cas. in place of J. W. Cabaniss.

MARIETTA—Marietta Trust and Banking Co.; surplus increased to $15,000.

MILLEDGEVILLE—Milledgeville Banking Co.; Miller S. Bell, Cas. in place of B. T. Bethune.

NEWNAN—Newnan National Bank; N. L. North, Asst. Cas.

ROME—Merchants' National Bank; E. A. Heard, Cas.

TALBOTTON—People's Bank; Wm. Witham, Pres. in place of G. H. Estes; Oscar E. Dooley, Cas. in place of C. W. Kimbroughs.

WAYCROSS—Bank of Waycross; surplus increased to $6,000.

IDAHO.

LEWISTON—First National Bank; Ralston Vollmer, Vice-Pres.

MOSCOW—Moscow National Bank (closed Feb. 2); J. H. Maguire and C. H. Brune, Vice-Pres.; Ernest De Lashmutt and S. Barghoorn, Asst. Cas.

ILLINOIS.

ATLANTA—Atlanta National Bank; J. B. Jordan, Asst. Cas.

BEARDSTOWN—First National Bank; John Schultz, Vice-Pres. in place of Jno. H. Hagener.

BEMENT—First National Bank; no Vice-Pres. in place of H. S. Bower.

CHARLESTON—Charleston State Bank; James Wheatly, Pres. in place of A. W. Bain, deceased.

CHICAGO—Home National Bank; A. M. Billings, Pres., deceased; C. K. G. Billings, Vice-Pres. in place of J. C. McMullin, deceased; Chas. E. Schick, Asst. Cas. in place of Carlton King.——First National Bank; Lyman J. Gage, Pres. resigned.

DANVILLE—First National Bank; C. L. English, Vice-Pres.; L. D. Gass, Cas. in place of C. L. English; J. C. English, Asst. Cas. in place of L. D. Gass.

FARMER CITY—John Weedman National Bank; W. W. Murphey, Pres. in place of Matthias Crum.——Old First Nat. Bank; no Asst. Cas. in place of C. S. Hoffman.

GALESBURG—First National Bank; L. F. Wertman, Pres. in place of Francis Fuller; Fred Seacord, Vice-Pres. in place of L. F. Wertman.

GALVA—Galva First National Bank; S. V. Deem, Asst. Cas.

HARRISBURG—First National Bank; C. T. Willis, Asst. Cas.

MOUNT CARROLL—First National Bank; Robert Moore, Pres. in place of John Kridler; James Graham, Vice-Pres. in place of Robert Moore; J. S. Miles, Cas. in place of O. P. Mills, deceased; no Asst. Cas. in place of J. S. Miles.

OREGON—First National Bank; Stephen Pankhurst, Asst. Cas.

PEORIA—Merchants' National Bank; no Asst. Cas. in place of W. T. Murray.——Peoria National Bank; Geo. H. McIlvaine, Pres., deceased.

TUSCOLA—First National Bank; A. W. Wallace, Vice-Pres.

WHEATON—Gary & Wheaton; title changed to Gary-Wheaton Bank.

INDIANA.

ATTICA—Citizens' National Bank; John W. Rhode, Vice-Pres. in place of Anthony Harman.

FRANKFORT—Clinton County Bank; Oliver Guard, Asst. Cas.

FRANKLIN—Franklin National Bank; C. A. Overstreet, Asst. Cas. in place of Victor Smith.

GARRETT—Garrett Banking Co.; Jacob Bogert, Pres. in place of D. H. Kniseley; D. H. Knisely, Vice-Pres.

GOSHEN—City National Bank; F. G. Hubbell, Pres.; Francis E. Baker, Vice-Pres. in place of F. G. Hubbel.——State Bank; A. Lowry, Asst. Cas.

INDIANAPOLIS—Indiana National Bank; Edward L. McKee, Vice-Pres.——Marion Trust Co.; no Pres. in place of F. A. Maus.

KEWANNA—Kewanna Bank; capital, $10,000; A. D. Toner, Pres.; Henry D. Howell, Cas.

LIBERTY—Union County National Bank; Jacob C. Kitchell, Cas. in place of Henry Husted, deceased.

MADISON—First National Bank; no Asst. Cas. in place of S. E. Baker.

PERU—Citizens' National Bank; F. I. Deibert, Vice-Pres. in place of William Rossner.

SOUTH BEND—First National Bank; Chas. L. Zigler, Asst. Cas. in place of J. E. Kelly.

WASHINGTON—Washington National Bank; N. G. Read, Pres. in place of E. W. Thompson; M. G. O'Neall, Asst. Cas. in place of N. G. Read.——People's National Bank; James W. Ogden, Vice-Pres. in place of E. L. Hatfield.

IOWA.

ANAMOSA—L. Schoonover; business absorbed by Anamosa National Bank; L. Schoonover, Pres. in place of Chas. H. Lull.

BROOKLYN—First National Bank; A. B. Talbot, Vice-Pres. in place of Thomas J. Holmes.

BURLINGTON—First National Bank; no Vice-Pres. in place of John G. Foote, deceased.

COLUMBUS JUNCTION—Louisa Co. National Bank; F. G. Coffin, Pres. in place of R. S. Johnston; Wilson Dougherty, Vice-Pres. in place of F. G. Coffin.

DAVENPORT—Davenport National Bank; Louis Haussen, Jr., Asst. Cas.

DES MOINES—Citizens' National Bank; no Asst. Cas. in place of H. T. Blackburn.

DUBUQUE—Second National Bank; J. K. Deming, Vice-Pres.

ELKADER—First National Bank; Realto E Price, Vice-Pres. in place of Anton Kramer.

GRUNDY CENTER—First National Bank; W. C. Sargent, Asst. Cas. in place of W. F. McLane.

KNOXVILLE—Marion Co. National Bank Lonem Donley, Asst. Cas.

LA PORTE CITY—First National Bank; no Asst. Cas. in place of John J. Large.

MARNE—W. E. & E. G. Simpson; R. S. Fudge, Cas.

MASSENA—Farmers' Savings Bank; capital, $10,000; H. F. Okey, Pres.

MOUNT PLEASANT—National State Bank; James T. Gillis, Asst. Cas.

NEW HAMPTON—First National Bank; J. W. Sandusky, Vice-Pres. in place of H. Gurley.

NEW SHARON—State Bank; W. W. Brimm, Asst. Cas., deceased.

PANORA—Guthrie County National Bank; W. C. Spurgin, Asst. Cas. in place of F. H. Nichols.

POPEJOY—Bank of Popejoy; Flora A. Popejoy, Pres.

SHENANDOAH—First National Bank; no Cas. in place of E. S. Ferris; Ellis Tucker, 2d Asst. Cas.

SIDNEY—McDonald & Kline (successors to Sidney Loan and Abstract Co.); capital, $10,000; J. H. McDonald, Pres. and Cas.; L. F. Kline, Vice-Pres.

STORM LAKE—First National Bank; W. E. Brown, Pres. in place of Geo. H. Eastman.

THOMPSON—Farmers' Savings Bank; succeeded by First National Bank.

WAPELLO—Wapello State Savings Bank; E. G. Heins, Asst. Cas.

WATERLOO—Commercial National Bank; E. L. Johnson, Vice-Pres. in place of W. L. Illingworth; H. C. Shultz, Cas.; C. W. Illingworth, Asst. Cas. in place of H. C. Schultz.

WELDON—Citizens' Bank; C. E. Woods, sole owner.

WEBSTER CITY—First National Bank; Wm. Anderson, Cas. in place of B. C. Mason; Simon Sogard, Asst. Cas.

KANSAS.

ARKANSAS CITY—Farmers' State Bank (successor to Farmers' National Bank); H. F. Hatch, Pres.; H. J. Hatch, Cas.; A. H. Denton, Asst. Cas.

ATCHISON—Exchange National Bank; no Asst. Cas. in place of W. F. Brown.

CAWKER CITY—Farmers and Merchants' Bank (in liquidation); C. W. Kellogg, Pres. in place of C. R. Paris; no Vice-Pres. in place of C. W. Kellogg.

EVEREST—Everest State Bank; J. R. Bailey, Cas.

GALENA—Galena National Bank; B. S. Moore, Vice-Pres.

HIAWATHA—Morrill & Janes Bank; Chas. H. Janes, deceased.

INDEPENDENCE—Citizens' National Bank; G. M. Carpenter, Vice-Pres; no Asst. Cas. in place of J. W. Simpson.

JUNCTION CITY—Central National Bank; Chas. K. Roher, Vice-Pres. in place of J. R. Young.

KANSAS CITY—Wyandotte National Bank; A. G. Jones, Asst. Cas.

LEAVENWORTH—First National Bank; O. B. Taylor, 2d Vice-Pres. in place of C. Peaper.

OTTAWA—People's National Bank; W. B. Kiler and F. M. Shiras, Asst. Cas.

PLAINVILLE—Citizens' Bank; F. C. Cochran, Asst. Cas.

SABETHA—National Bank of Sabetha; no Asst. Cas. in place of Fred E. Graham.——Citizens' State Bank; Jackson Cotton, Pres., deceased.

STOCKTON—Stockton State Bank; J. S. O'Donnell, Vice-Pres., deceased.

TOPEKA—First National Bank; no Asst. Cas. in place of Edward Henderson.

WAMEGO—First National Bank; H. E. Shortt, Vice-Pres.

KENTUCKY.

AUGUSTA—Farmers' National Bank; Wm. B. Allen, Vice-Pres. in place of N. J. Stroube.

COVINGTON—First National Bank; Geo. E. Engel, Asst. Cas.

HICKMAN—Farmers and Merchants' National Bank; R. R. Kuykendall, Asst. Cas. in place of W. M. Randle.

LANCASTER—National Bank of Lancaster; Alex. R. Denny, Vice-Pres.; S. C. Denny, Asst. Cas.

LOUISVILLE—German Bank; Chas. M. S.

Hebel, Cas. *pro tem.* in place of H. S. Walbeck, resigned.

PADUCAH—First National Bank; R. L. Reeves, Pres.

RICHMOND—Madison National Bank; Joel W. Gibbs, Vice-Pres. in place of N. B. Deatherage.

WILLIAMSTOWN—Grant County Deposit Bank; J. R. Lemon, Cas. in place of C. C. Nesbitt, resigned; R. F. Lemon, Asst. Cas.

MAINE.

BANGOR—Kenduskeag National Bank; James Adams, Pres. in place of Frederick W. Hill.

BATH—Marine National Bank; H. A. Duncan, Pres. in place of E. C. Hyde, deceased; S. H. Duncan, Cas. in place of H. A. Duncan; no Asst. Cash. in place of S. H. Duncan.

CALAIS—Calais National Bank; Frank V. Lee, Asst. Cas.

LEWISTON—First National Bank; F. H. Packard, Pres. in place of J. Y. Scruton, deceased; J. N. Wood, Vice-Pres. in place of F. H. Packard.

SANFORD—Sanford National Bank; Geo. H. Nowell, Vice-Pres.

MARYLAND.

BALTIMORE—National Howard Bank; Peter New, director, deceased,

CUMBERLAND—Third National Bank; H. E. Weber, Pres. in place of W. E. Weber; no Vice-Pres. in place of W. H. Shepherd; W. C. Conley, Acting Cas. in place of H. E. Weber.

FREDERICK—First National Bank; James Houck, Vice-Pres.

SALISBURY—Salisbury National Bank; Wm. B. Tilghman, Pres. in place of Elihu E. Jackson; Wm. P. Jackson, Vice-Pres. in place of Wm. B. Tilghman.

MASSACHUSETTS.

BOSTON—Third National Bank; A. Huggin, Asst. Cas. in place of Albert H. Wiggin.——Continental National Bank; Phineas Peirce, Pres. in place of Wm. T. Hart; W. B. Rice, Vice-Pres. in place of Phineas Peirce.——Boston Safe Deposit and Trust Co.; Geo. E. Goodspeed, Asst. Treas.——North National Bank; H. W. Wadleigh, Second Vice-Pres.——Atlas National Bank; Joseph S. Bigelow, Pres. in place of John G. Wetherell.——Globe National Bank; Chas. H. Cole, Pres. in place of C. E. Stevens; no Vice-Pres. in place of Chas. H. Cole.——Fourth National Bank; A. W. Newell, Pres. in place of W. W. Kimball; W. N. Homer, Cas. in place of A. W. Newell.——Second National Bank: J. M. Sears and W. B. Thomas elected directors. ——Nat. Bank of North America; Jos. H. Gray, Vice-Pres.——Central Nat. Bank; Otis H. Luke, Pres. in place of Chas H. Allen; no Vice-Pres. in place of Samuel Carr; no Cas. in place of Otis H. Luke; Chas H. Frye, Asst. Cas.——Tower, Giddings & Co.; A. Clifford Tower, retired from firm.——Blodgett, Merritt & Co.; Chas. P. Cheney, deceased.

GREENFIELD—First National Bank; no Vice-Pres. in place of Wm. H. Allen.

HAVERHILL—Essex National Bank; Warren Emerson, Pres. in place of Oliver Taylor.

HOLYOKE—City National Bank; C. Fayette Smith, Pres.; A. F. Hitchcock, Cas. in place of C. Fayette Smith.

LAWRENCE.—Lawrence Savings Bank; F. E. Clarke, Pres. in place of Hezekiah Plummer, deceased.——Pacific National Bank; corporate existence extended until Jan. 27, 1917.

LYNN.—Central National Bank; Chas. H. Newhall, Vice-Pres. in place of Geo. K. Pevear.

NANTUCKET—Pacific National Bank; Geo. C. Rule, Asst. Cas.

NEW BEDFORD—Mechanics' National Bank; L. T. Terry, Cas. in place of James W. Hervey; James W. Hervey, Asst. Cas. in place of L. T. Terry.

OXFORD—Oxford National Bank; Chas. F. Parkis, Asst. Cas.

PALMER—Palmer Savings Bank; C. H. Hobbs, Pres. in place of H. G. Loomis.

PITTSFIELD—Pittsfield National Bank; James Wilson, Pres. in place of Andrew J. Waterman.

PLYMOUTH—Old Colony National Bank; James D. Thurber, Vice-Pres.

READING—First National Bank; Henry Wells, Cas. in place of William A. Lang; no Asst. Cas, in place of Henry Wells.

SALEM—Salem National Bank; J. T. Mahoney, Pres.——First National Bank; no Vice-Pres. in place of Alfred A. Mower. ——Naumkeag National Bank; Benj. H. Fabens, Pres. in place of Joseph H. Towne.

MICHIGAN.

ALPENA—Alpena National Bank; F. W. Gilchrist, Vice-Pres.

GAYLORD—Otsego County Bank; W. H. H. Cooper, Cas., deceased.

HILLSDALE—First National Bank; C. H. Winchester, Vice-Pres. in place of C. N. Waldron, deceased; no Asst. Cas. in place of Roy R. Bailey.

HOMER—First State Bank; Wm. Kellogg, Cas.; Lottie L. Lyon, Asst. Cas.

HOWELL—First State and Savings Bank; A. J. Marsh, Cas.

MANISTIQUE—Manistique Bank; Geo. H. Orr, Pres. in place of Wm. H. Hill.

MARINE CITY—First State Savings Bank; Ray Case, Asst. Cas. in place of James F. Leitch.

REED CITY—First National Bank; J. M. Reed, Vice-Pres.

WYANDOTTE—Wyandotte Savings Bank; William Van Miller, Cas., deceased; Fred E. Van Alstyne, Asst. Cas.

MINNESOTA.

CROOKSTON—First National Bank; H. R. Robertson, Asst. Cas.

EAST GRAND FORKS—First National Bank; G. R. Jacobi, Asst. Cas.

FERGUS FALLS—Citizens' National Bank; G. O. Dahl, Pres. in place of J. W. Mason; no Vice-Pres. in place of E. J. Webber; no Asst. Cas. in place of L. J. Pickit.

HASTINGS—German-American Bank; Chas. Doffing, Asst. Cas.

LITTLE FALLS—First National Bank; F. Strange, Asst. Cas. in place of Theo. Wold.

MANKATO—First National Bank; S. Lamm, Pres. in place of J. A. Willard; R. R. Hubbard, Vice-Pres. in place of S. Lamm.

MINNEAPOLIS—Flour City National Bank; C. D. Langee, Vice-Pres. in place of C. E. Lyman.

PIPESTONE—First National Bank; J. R. Hubbard, Vice-Pres. in place of L. R. Ober.

ROCHESTER—First National Bank; Geo. B. Doty, Second Asst. Cas.

RUSH CITY—Bank of Rush City; J. C. Carlson, Pres.; Hjalmar Anderson, Cas.

ST. JAMES—First National Bank; Thomas Tonnesson, Asst. Cas.

TRACY—First National Bank; L. J. Hunter, Asst. Cas.

WINONA - Second National Bank; Samuel L. Prentiss, Cas. in place of W. H. Garlock; A. W. Laird, Asst. Cas. in place of Samuel L. Prentiss.

WORTHINGTON—Nobles County Bank; J. H. Lougren, Asst. Cas.

MISSISSIPPI.

CLARKSDALE—Citizens' Savings and Loan Institution; title changed to Citizens' Saving Bank.

WEST POINT—First National Bank; T. M. Moseley, Vice-Pres. in place of S. L. Hearn; Isham Evans, Cas. in place of T. M. Moseley; no Asst. Cas. in place of Isham Evans.

MISSOURI.

CALHOUN—Bank of Calhoun; W. W. Gutridge, Cas.; L. M. Finks, Asst. Cas.

INDEPENDENCE—Chrisman-Sawyer Banking Co.; A. F. Sawyer, Pres. in place of Wm. Chrisman.

KANSAS CITY—First National Bank; H. T. Abernathy, Second Asst. Cas.——Union National Bank; L. T. James, elected director in place of H. O. Sheidley.——Midland National Bank; L. E. Pringle, elected director in place of K. B. Armour.——Metropolitan National Bank; Walton Holmes, elected director in place of C. J. White.

MACON—First National Bank; F. W. Blees, Pres. in place of W. S. Watson; Raymond E. Frey, Asst. Cas.

MARYVILLE—Real Estate Bank; Pres. Geo. S. Baker; Cas. Geo. B. Baker.

OREGON—Montgomery & Roecker Banking Co.; Chas. D. Zook, Pres. in place of Robert Montgomery; G. L. Cummins, Asst. Cas.

ST. CHARLES—First National Bank; J. A. Schreiber, Asst. Cas.

ST. LOUIS—Continental National Bank; J. H. Lewis, Asst. Cas. in place of Van L. Runyon.——Third National Bank; C. H. Huttig, Vice-Pres. in place of Thos. A. Stoddart.——Mechanics' Bank; R. R. Hutchinson, Pres. in place of D. K. Ferguson; D. K. Ferguson, Vice-Pres.——Franklin Bank; John G. Kaiser, director, deceased.——Citizens' Bank, J. E. Thomson, Act. Cas.——St. Louis National Bank; Geo. A. Madill, elected director in place of E. C. Simmons.

WEBB CITY—First National Bank; J. W. Frey, Vice-Pres. in place of J. A. Daugherty.

MONTANA.

HELENA—Merchants' National Bank; T. P. Bowman, Cas.; J. W. Chivers, Asst. Cas. in place of T. P. Bowman.

NEBRASKA.

AUBURN—First National Bank; Frederick E. Allen, Vice-Pres., in place of Wm. Campbell.

AURORA—Aurora State Bank; Harvey Cole, Vice-Pres.; G. Peterson, Cas., in place of Harvey Cole.

BEATRICE—German National Bank; Wm. A. Wolfe, Pres., in place of A. W. Nickell; no Vice-Pres. in place of Geo. A. Murphy; Dwight Coit, Cas., in place of Wm. A. Wolfe; no Asst. Cas. in place of Chas. A. Best.

BLUE HILL—First National Bank; C. F. Gund, Asst. Cas.

CLARKSON—Clarkson State Bank; Longin Folda, Cas. in place of Frank J. Lepsa, deceased.

KEARNEY—City National Bank; no Asst. Cas. in place of K. R. Andrews.

LINCOLN—First National Bank; C. S. Lippincott, Cas., in place of F. M. Cook.——American Exchange National Bank; no Pres. in place of I. M. Raymond.

NORTH BEND—First National Bank; Chauncy Abbott, Vice-Pres. in place of H. W. Nieman.

OMAHA—United States National Bank; M. T. Barlow, Pres., in place of C. W. Hamilton, deceased; C. Will Hamilton, Vice-Pres. in place of V. B. Caldwell; V. B. Caldwell, Cas., in place of M. T. Barlow; no Asst. Cas. in place of C. Will Hamilton.

NEW HAMPSHIRE.

CLAREMONT—Claremont National Bank; S. F. Rossiter, Pres. in place of Frank P. Vogl, resigned; Frank H. Foster, Cas. in place of Jno. L. Farwell, Jr., resigned.

HILLSBOROUGH—First National Bank; Geo. W. Haslet, Vice-Pres., in place of Abel C. Burnham, deceased.

LEBANON—National Bank of Lebanon; no Asst. Cas. in place of F. H. Foster.

NEW JERSEY.

BRIDGETON—Cumberland National Bank; no Vice-Pres., in place of I. Boyd Nixon.

BLOOMSBURY—Bloomsbury National Bank; W. S. Creveling, Vice-Pres. in place of C. H. Kremer, deceased.

MORRISTOWN—National Iron Bank; Henry C. Pitney, Pres., in place of Edmund D. Halsey; Robert D. Foote, Vice-Pres. in place of Henry C. Pitney.

RED BANK—First National Bank; Jas. H. Peters, Pres. in place of Asher S. Parker.

RUTHERFORD—Rutherford National Bank; H. R. Jackson, Pres.

NEW MEXICO.

LAS VEGAS—First National Bank: L. F. Adams, Asst. Cas. in place of Frank N. Smith.

NEW YORK.

CANTON—First National Bank; no Asst. Cas., in place of F. M. Ingalls.

CHAMPLAIN—First National Bank; L. C. Lafontaine, Asst. Cas.

DUNKIRK—Lake Shore National Bank; A. H. Marsh, Pres.; no Vice-Pres. in place of A. J. Avery.

FREDONIA—Fredonia National Bank; R. H. Hall, Pres. in place of A. O. Putnam; O. W. Johnson, Vice-Pres. in place of R. H. Hall.

FRIENDSHIP—First National Bank; A. Miner Wellman, Pres. in place of Wm. L. Bowler; Frank R. Utter, Cas. in place of A. Miner Wellman; W. C. Kingsbury, Asst. Cas.

FULTONVILLE—Fultonville National Bank; O. F. Conable, Cas. in place of L. V. Peck; Howard A. De Graff, Asst. Cas.

GENESEO—Genesee Valley National Bank; Jno. R. Strang, Vice-Pres. in place of Charles Jones.

HAMILTON—National Hamilton Bank; Le Roy Fairchild, Cas. deceased; Charles J. Griswold, Acting Cashier.

HUDSON—First National Bank; Chas. W. Macy, Pres. in place of R. B. Benedict.

LITTLE FALLS—Little Falls National Bank; Rollin H. Smith, Vice-Pres., in place of J. H. Ives.

MOHAWK—National Mohawk Valley Bank; no Pres. in place of H. D. Alexander, deceased; H. H. Golden, Cas. in place of H. D. Alexander; no Asst. Cas. in place of H. M. Golden.

NEW YORK CITY—National Butchers and Drovers' Bank and Mechanics and Traders' Bank; Jno. N. Hayward, director, deceased; also trustee East River Savings Institution.——A. M. Kidder & Co.: A. M. Kidder retired from firm; business continued under same name by H. J. Morse, C. D. Marvin and W. M. Kidder.——Frederic Taylor & Co.; Frederic Taylor, deceased; also director Continental National Bank.——Mechanics and Traders' Bank; Fernando Baltes, Pres. in place of I. Boskowitz; E. A. Quintard and C. C. Dickinson, elected directors.——United States National Bank; T. E. Stillman, Vice-Pres. in place of Wm. P. Thompson, deceased.——Mercantile National Bank; Henry T. Carey and H. B. Dominick, elected directors in place of Wm. P. St. John and A. B. Darling.——Central National Bank; capital reduced from $2,000,000 to $1,000,000.——Institution for Savings of Merchants' Clerks; Chas. C. Brinckerhoff, Vice-Pres., deceased.——Nassau Bank; Augustine Smith, director, deceased.——Twelfth Ward Bank; Enoch C. Bell, H. H. Barnard and J. B. Kaiser, elected directors.——Third National Bank; no Vice-Pres. in place of John B. Woodward.——Second Nat. Bank; Frederick K. Keller, 2d Vice-Pres.

PENN YAN—First National Bank; Geo. H. Lapham, Jr., Asst. Cas.

PINE PLAINS—Stissing National Bank; L. Morehouse, Vice-Pres.

PORT JERVIS—First National Bank; Chas. F. Van Inwegen, Pres. in place of M. C. Everitt; John B. Layton, Vice-Pres.; Fred B. Post, Cas.

POUGHKEEPSIE—Poughkeepsie National Bank; Thomas W. Barrett, Act. Cas. in place of J. V. Deyo.——Merchants' National Bank; C. N. Arnold, Vice-Pres. in place of A. Edward Tower.

ROCHESTER—Central Bank; Jno. H. Gregory, Asst. Cas.

SCHENECTADY—Mohawk National Bank; no Vice-Pres. in place of Edward Ellis; E. L. Milmine, Cas. in place of J. G. L. Ackerman.——Union National Bank; Clark Witbeck, 2d Vice-Pres.

SYRACUSE—First National Bank; E. S. Tefft, Cas. in place of G. B. Leonard; J. W. Walter, Asst. Cas. in place of E. S. Tefft.——Salt Springs National Bank; F. W. Gridley, Cas. in place of T. J. Leach.

TROY—Union National Bank; Henry Wheeler, Cas. in place of Adam R. Smith.

WALDEN—Walden National Bank; expired by limitation January 25, 1897.

WATERTOWN—Jefferson County National Bank and Jefferson County Savings Bank; Talcot H. Camp, Pres., deceased.

WELLSVILLE—Citizens' National Bank; Elmore A. Willets, Pres. in place of T. P. Otis; E. C. Brown, Vice-Pres. in place of Elmore A. Willets; W. J. Richardson, Cas. in place of C. W. Curtis, Jr.

WEST WINFIELD—First National Bank; H. H. Wheeler, Cas.; L. B. Wheeler, Asst. Cas. in place of H. H. Wheeler.

NORTH CAROLINA.

CONCORD—Concord National Bank; W. H. Lilly, Vice-Pres. in place of D. F. Cannon.

GASTONIA—First National Bank; no Cas. in place of E. S. Pegram.

GOLDSBORO—National Bank of Goldsboro; W. J. Best, Vice-Pres.

WILSON—First National Bank; Jno. F. Bruton, Pres. in place of F. W. Barnes; F. W. Barnes, Vice-Pres. in place of Jno. F. Bruton.

OHIO.

ASHTABULA—Farmers' National Bank; John Harmon, Pres. in place of F. Carlisle; Edwin Goddard, Cas.; E. R. Pierce, Asst. Cas. in place of Edwin Goddard.

CINCINNATI—First National Bank; Julius Freiberg, elected director in place of H. H. Hoffman.——Ohio Valley National Bank; David Jones, Asst. Cas., resigned.

CLEVELAND—Euclid Avenue National Bank; C. E. Farnsworth, Cas.; no Asst. Cas. in place of C. E. Farnsworth.——Guardian Trust Co.; Henry C. Rouse and John H. Farley, elected directors.——Wade Park Banking Co.; Ira Reynolds and Nelson Moses, elected directors.

COLUMBUS—Commercial National Bank; W. F. Hoffman, Cas. in place of W. H. Albery.

CONNEAUT—First National Bank; Clyde Lilly, Cas. in place of B. E. Thayer.

DELAWARE—Deposit Banking Co.; F. T. Jones, Cas. in place of Henry A. Welsh.

FINDLAY—Farmers' National Bank; Wm. Marvin, Pres. in place of M. Gray.

GERMANTOWN—First National Bank; Phil Hemp, Asst. Cas.

GREENVILLE—Second National Bank: J. A. Ries, Vice-Pres. in place of John H. Martin; John H. Martin, Asst. Cas.

HICKSVILLE—First National Bank; W. F. Horton, Asst. Cas.

LANCASTER—Farmers and Citizens' Bank; Samuely Whiley, Pres., deceased.

LIMA—Ohio National Bank; no Vice-Pres. in place of J. B. Roberts, deceased.

MASSILLON—First National Bank; P. L. Hunt, Asst. Cas.

MIDDLEPORT—Middleport National Bank; F. C. Russell, Vice-Pres. in place of W. E. Stansbury.

NEWARK—First National Bank; F. S. Wright, Vice-Pres.; E. C. Wright, Cas. in place of F. S. Wright; no Asst. Cas. in place of E. C. Wright.

POLAND—Farmers' Deposit and Savings Bank: C. D. Hine, Pres.; C. N. Kirtland, Vice-Pres.

RIPLEY—Ripley National Bank; G. Baumback, Vice-Pres.——Citizens' National Bank; J. C. Leggett, Vice-Pres. in place of J. Robert Stivers.

SPRINGFIELD—First National Bank; capital reduced from $600,000 to $400,000.

ST. CLAIRSVILLE—First National Bank: E. G. Amos, Asst. Cas.

TOLEDO—Holcomb National Bank; S. R. Mclaren, Vice-Pres.

WAYNESVILLE—Waynesville National Bank; W. H. Allen, Vice-Pres. in place of Ethan A. Brown.

WOOSTER—Wayne County National Bank; John M. Criley, Asst. Cas. in place of W. T. Peckinpaugh; no 2d Asst. Cas. in place of John M. Criley.

XENIA—Citizens' National Bank; H. H. Eavey, Pres. in place of J. D. Edwards, deceased.

OKLAHOMA.

PERKINS—Payne County Bank; capital, $10,000; C. P. Rock, Pres.; C. T. Higby, Cas.

OREGON.

ALBANY—First National Bank; O. A. Archibald, Asst. Cas. in place of E. M. Horton.

PRINEVILLE—First National Bank; I. Sichel, Vice-Pres.; no Asst. Cas. in place of I. Sichel.

SALEM—Capital National Bank; E. M. Croisson, Vice-Pres. in place of W. W. Martin.

PENNSYLVANIA.

ALLEGHENY—First National Bank; Edward Groetzwiger, Vice-Pres. in place of Joseph McNaugher, deceased.——Nation's Bank for Savings; Chas. Schmeider, Treas.; Karl V. Myler, Asst. Treas.

BEAVER—Beaver National Bank; Edward K. Hum, Vice-Pres.

BETHLEHEM—First National Bank: Cyrus E. Breder, Cas., reported an embezzler.

BLAIRSVILLE—First National Bank; Wilbur P. Graff, Asst. Cas.

BLOSSBURG—Miners' National Bank; A. L. Smith, Pres. in place of S. W. Pomeroy; J. L. Davis, Cas. in place of A. L. Smith; no Asst. Cas. in place of J. L. Davis.

DUNCANNON—Duncannon National Bank; no Vice-Pres. in Place of T. L. Johnson.

DUSHORE—First National Bank; F. B. Pomeroy, Pres. in place of B. M. Sylvara; W. C. Rogers, Vice-Pres. in place of F. B. Pomeroy.

ERIE—Second National Bank; C. F. Allis, Vice-Pres.; W. M. Wallace, Cas. in place of C. F. Allis; H. J. Leslie, Asst. Cas. in place of W. M. Wallace.— Keystone National Bank: F. M. Lamb, Cas. in place of F. V. Kepler; no Asst. Cas. in place of F. M. Lamb.

HOLLIDAYSBURG—First National Bank (resumed); capital, $50,000; J. L. Hartman, Pres.; A. L. Garver, Vice-Pres.; J. G. Shope, Cas.

HYNDMAN—National Bank of South Pennsylvania; John S. Weller, Pres.

JEANNETTE—First National Bank; J. H. Ringer, Pres.; John W. Keltz, Cas.

KITTANNING—National Bank of Kittanning; R. Hudson, Vice-Pres.

LATROBE—Citizens' National Bank; C. J. Donnelly, Asst. Cas.

LEBANON—First National Bank; C. W. Few, Cas. in place of John H. Hoffer.——Lebanon National Bank; Frank S. Becker, Cas. in place of John M. Gossler, deceased.——People's National Bank; Elmer E. Hauer, Asst. Cas. in place of E. M. Boltz.

MECHANICSBURG—Second National Bank; E. A. Burnett, Pres. in place of John M. Hart.
MINERSVILLE—First National Bank; Charles E. Steel, Vice-Pres.
MOUNT PLEASANT—First National Bank; Geo. W. Stoner, Vice-Pres. in place of Henry Jordan: John D. Hitchman, Cas. in place of Geo. W. Stoner; no Asst. Cas. in place of John D. Hitchman.
NEW BETHLEHEM—Citizens' National Bank; Jacob F. Markle, Vice-Pres.
NEW KENSINGTON—First National Bank; D. S. Gailey, Pres. in place of S. P. Brown.
PHILADELPHIA—Corn Exchange National Bank; no Vice-Pres. in place of H. W. Catherwood.——Farmers and Mechanics' National Bank; no Vice-Pres. in place of S. W. Bell.——Mechanics' National Bank; Morris Newburger, Pres. in place of John Field; John Field, Vice-Pres. in place of Morris Newburger.——Consolidation National Bank; Robert Shoemaker, director, deceased.——Central Trust Co.; Reuben F. Bancroft, Vice-Pres., deceased.——Market Street National Bank; Samuel Y. Heebner, Pres. in place of Chas. H. Banes, deceased; Geo. D. McCreary, Vice-Pres. in place of Samuel Y. Heebner; Henry D. Welch, director, deceased.——Northern Saving Fund and Safe Deposit Co.; Henry D. Welch, director, deceased.——Ervin & Co.; Spencer Ervin, deceased.
PITTSBURG—National Bank of Western Pennsylvania; Charles McKnight, Pres. in place of James Hemphill; Geo. S. Macrum, Cas. in place of Charles McKnight; no Asst. Cas. in place of Geo S. Macrum.——Fourth National Bank; Samuel D. Herron, Jr., Cas., deceased.
PORT ALLEGANY—First National Bank; W. E. Smith, Cas. in place of Thomas McDowell.
POTTSVILLE—Pennsylvania National Bank; Jesse Drumheller, Vice-Pres. in place of Robert Allison.
RENOVO—First National Bank; Jacob Meisel, Asst. Cas.
SLATINGTON—National Bank of Slatington; John Craig, Vice-Pres.
TIONESTA—Forest County National Bank; William Smearbaugh. Vice-Pres.
TOWANDA—Citizens' Nat. Bank; E. Overton, Pres. in place of E. O. Macfarlande.
TROY—Pomeroy & Mitchell; Samuel W. Pomeroy, deceased.
UNIONTOWN—Second National Bank; G. S. Harah, Cas. in place of W. H. Binns; no Asst. Cas. in place of G. S. Harah.
WELLSBORO—Wellsboro National Bank; L. Bailey, Vice-Pres. in place of F. K. Wright.
YORK—York County National Bank; James A. Dale, Pres. in place of Wm. S. Roland; Jere Carl, Vice-Pres. in place of J. A. Dale.

RHODE ISLAND.

PHENIX—Phenix National Bank; no Vice-Pres. in place of Presbury Hoxie.

SOUTH CAROLINA.

EDGEFIELD—Bank of Edgefield; W. W. Adams, Vice-Pres., in place of Alvin Hart; Horde Allen, Asst. Cas. in place of Jules L. Mims.
LAURENS—National Bank of Laurens; no Asst. Cas. in place of C. W. Tune.

SOUTH DAKOTA.

ABERDEEN—Aberdeen National Bank; Isaac Lincoln, Vice-Pres. in place of J. T. McChesney.
CANTON—First National Bank; O. S. Gifford, Vice-Pres. in place of J. F. Ferguson.
MITCHELL—First National Bank; O. L. Branson, Cas. in place of H. R. Kibbee; H. P. Beckwith, Asst. Cas. in place of O. P. Graham.
PIERRE—Pierre National Bank; W. J. Kerr, Cas.; no Asst. Cas. in place of W. J. Kerr.

TENNESSEE.

ATHENS—First National Bank; L. W. Rose, Vice-Pres. in place of W. M. Nixon.
CLARKSVILLE—Clarksville National Bank; no Vice-Pres. in place of A. R. Gholson.
CUMBERLAND GAP—Bank of Cumberland Gap; E. M. Quillen, Pres. in place of C. H. Rogers, deceased.
LIVINGSTON—Bank of Livingston; E. W. Christian, Pres. in place of Moses Miller.
MEMPHIS—Bank of Commerce; succeeded by National Bank of Commerce.
MURFREESBORO—Stones River Nat. Bank; W. R. Haynes, Pres. in place of A. M. Overall; Horace Ready, Vice-Pres. in place of H. E. Palmer.
NASHVILLE—First National Bank; J. H. Fulton, Vice-Pres.; H. W. Grantland, 2d Vice-Pres.; D. S. Williams, Cas. in place of J. H. Fulton.
ROGERSVILLE—Rogersville National Bank; Orville R. Gillenwaters, Vice-Pres.; J. C. Stamps, Cas. in place of James Cooper.
SWEETWATER—Bank of Sweetwater; S. T. Jones, Cas. in place of J. A. Magill; Jno. M. Jones, Jr., Asst. Cas.

TEXAS.

CLEBURNE—First National Bank; C. Dickson, Pres. in place of C. W. Mertz; P. C. Chambers, Vice-Pres. in place of H. C. Gresham; C. W. Mertz, Cas. in place of P. C. Chambers.
COMANCHE—Comanche National Bank; Frank M. Browne, Vice-Pres. in place of J. B. Oberthier.
DALLAS—National Exchange Bank; Boyal A. Ferris, Pres. in place of Jno. N. Simpson; A. V. Lane, Cas. in place of Royal A. Ferris.
DECATUR—Wise County National Bank; no Asst. Cas. in place of E. T. Bradley.
ENNIS—Ennis National Bank; Mark Latimer, Second Vice-Pres.; A. H. Dunkerly, Cas. in place of Mark Latimer; J. L. Clarke, Asst. Cas. in place of A. H. Dunkerly.

FORT WORTH—First National Bank; corporate existence extended until Jan. 16, 1917.

GORDON—Exchange Bank; S. J. Oden, proprietor, deceased.

GRAND VIEW—First National Bank: Philip Walker, Vice-Pres. in place of S, S. Ramsey.

HALLETTSVILLE—Lavaca County National Bank: A. B. Devall, Pres. in place of J. W. Bennett; Carey Shaw, Vice-Pres. in place of C. A. Kessler.

HEMPSTEAD—Farmers' National Bank; B. Schwarz, Pres. in place of F. W. Zadow; Jno. C. Amsler, Vice-Pres. in place of B. Schwarz; no Second Vice-Pres. in place of Jno. C. Amsler; Thomas Johns, Asst. Cas.

HENRIETTA — Farmers' National Bank; Sidney Webb, Pres. in place of J. A. Frazar; C. B. Patterson, Vice-Pres. in place of Sidney Webb.

HOUSTON Commercial National Bank; James A. Baker, Jr., Vice-Pres. in place of E. P. Hill; Jno. J. Cannon, Cas. in place of R. A. Girault.

HUBBARD—First National Bank; J. E. Armstrong, Vice-Pres. in place of E. Rotan.

ITASCA—First National Bank; F. M. Files, Pres. in place of W. I. Mooks.

MEXIA—First National Bank; J. A. Kempner, Vice-Pres. in place of M. Marx.

WACO Farmers and Merchants' National Bank; R. T. Dennis, Cas. in place of John P. Massey.——First National Bank; no Cas.; R. F. Gribble, Asst. Cas.; T. N. McMullen, Jr., Second Asst. Cas.

WEATHERFORD — Citizens' National Bank; Charles Barthold, Vice-Pres.

VERMONT.

BRATTLEBORO—Vermont National Bank: G. C. Averill, Pres. in place of Geo. S. Dowley; C. W. Richardson, Cas. in place of G. C. Averill.

VIRGINIA.

DANVILLE—Planters' National Bank; John D. Langhorne, Pres. in place of W. P. Bethell.

LYNCHBURG—First National Bank; W. A. O'Brein, Vice-Pres. in place of J. M. Booker. ——Nat. Exchange Bank; J. R. Gilliam, Pres. in place of J. W. Watts; N. C. Manson, Jr., Vice-Pres. in place of Geo. M. Jones; James T. Bowman, Asst. Cas.

NORFOLK — Merchants and Mechanics' Sav. Bank; W. J. Wales, Jr., Pres.

RICHMOND—Union Bank; W. W. Timberlake, T. W. Pemberton, N. W. Bowe, B. Alsop, Chas. Davenport, R. T. Arrington, Jr. and A. L. Boulware, elected directors.

ROANOKE—First National Bank; B. N. Hatcher, Vice-Pres. in place of P. L. Terry.

STAUNTON — National Valley Bank; R. W. Burke, Pres. in place of John Echols; Edward Echols, Vice-Pres. in place of R. W. Burke; no Second Vice-Pres.

WASHINGTON.

TACOMA—National Bank of Commerce; A. F. Albertson, Cas.

WALLA WALLA—First National Bank; G. T. Buckland, Asst. Cas. in place of John Y. G. Walker; no Second Asst. Cas. in place of G. T. Buckland.

WEST VIRGINIA.

CHARLESTON—Charleston National Bank; no Vice-Pres. in place of J. R. Seal.

ST. MARY'S—Pleasants Co. Bank; capital, $25,000; Newton Ogdin, Pres.; T. O. Reynolds, Cas.

PIEDMONT—First National Bank; Timothy Kenney, Second Vice-Pres.

WISCONSIN.

APPLETON—Citizens' National Bank; Lamar Olmstead, Pres. in place of John S, Van Nortwick, resigned; John McNaughton, elected director.

BEAVER DAM—First National Bank; J. S. Rowell, Pres., in place of J. J. Williams, deceased; E. C. McFetridge, Vice-Pres., in place of C. W. Daniels.

BELOIT—Second National Bank; no Vice-Pres. in place of J. B. Gordon.

BLACK RIVER FALLS—First National Bank; H. H. Richards, Asst. Cas.

COLUMBUS—First National Bank; F. A. Chadbourn, Pres., in place of Catharine E. Chadbourn.

JUNEAU—Citizens' Bank; S. R. Jones, Pres.

LA CROSSE—National Bank of La Crosse; F. P. Hixon, Vice-Pres, in place of W. Cargill; no 2d Vice-Pres. in place of F. P. Hixon.

MERRILL—National Bank of Merrill; S. Heineman, Vice-Pres.

OSHKOSH—German National Bank: J. H. Jenkins, Pres., in place of Geo. Bauman; B. C. Gudden, Vice-Pres., in place of J. H. Jenkins.

RACINE—Union National Bank; O. W. Johnson, Vice-Pres.

RIPON—First National Bank; L. E. Reed, Vice-Pres. in place of W. A. Miller, deceased.

SHULLSBURG—First National Bank; J. L. Cavanagh, Vice-Pres., in place of H. George.

WAUKESHA—National Exchange Bank; S. D. James, Pres., deceased.

WAUSAU—National German-American Bank; Charles J. Winter, Vice-Pres., in place of B. E. Jones.

WEST SUPERIOR—Bank of Commerce; W. C. Brooks, Cas., retired.

CANADA.

BRITISH COLUMBIA.

KASLO—Bank of British Columbia; Wm. Allison, Manager.

SANDON—Bank of British Columbia; H. F. Mytton, Mgr., instead of H. G. Marquis, as erroneously reported in December number.

NOVA SCOTIA.

HALIFAX—Bank of British North America; Duncan Robertson, Manager.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

EDWARDSVILLE—P. A. Howle & Co.; discontinued banking.

PIEDMONT—Bank of Piedmont.

COLORADO.

AKRON—Washington County Bank; in hands of A. J. Johnson and H. C. Newsom, Receivers.

FLORIDA.

OCALA—Merchants' National Bank; in hands of Granville C. Stepylton, Receiver, February 3.

ORANGE CITY—Orange City Bank; assigned to R. S. Leavitt.

GEORGIA.

ATLANTA—State Savings Bank.

WEST POINT—Merchants and Planters' Bank; out of business.

IDAHO.

MOSCOW—Moscow National Bank; in hands of Eugene T. Wilson, Receiver, February 4.

ILLINOIS.

FREEPORT—Farmers and Merchants' Bank; in liquidation Feb. 9.

STREATOR—City National Bank.

INDIANA.

UPLAND—Upland Bank; discontinued business.

IOWA.

DES MOINES—German Savings Bank; closed January 21.

GRISWOLD—First National Bank.

MORAVIA—Deposit and Exchange Bank.

KANSAS.

HOISINGTON—Merchants' State Bank; in voluntary liquidation.

HOLLENBERG—State Bank; in voluntary liquidation.

NESS CITY—First National Bank; in voluntary liquidation by resolution of December 24, 1896.

WASHINGTON—Stackpole & Tobey.

KENTUCKY.

LOUISVILLE—German National Bank; in hands of Robert H. Courtney, Receiver, January 22.

NEWPORT—First National Bank; in hands of Geo. P. Wilshire, Receiver, January 21.

LOUISIANA.

NEW ORLEANS—Mutual National Bank; in hands of Wm. E. Huger, Receiver, Jan. 27.

MAINE.

PORTLAND—Northern Banking Co.; voted to go in liquidation.

MASSACHUSETTS

BOSTON—E. C. Hodges & Co.; assigned to Geo. E. Dixon, Feb. 2.

MICHIGAN.

BUCHANAN—C. F. Howe, assigned.

MUIR—Commercial Bank.

MINNESOTA.

FERGUS FALLS—Citizens' National Bank; in voluntary liquidation.

MINNEAPOLIS—Columbia National Bank; in hands of Jno. B. Atwater, Receiver, Jan. 14. —— Bankers' Exchange Bank; Otto Rood, Rec., Feb. 10.

ST. PAUL—Minnesota Savings Bank; assigned to Wm. Bickel, Sr., Jan. 18.

MISSOURI.

CONWAY—Bank of Conway; assigned to Chas. O. Draper.

EXCELSIOR SPRINGS—Farmers and Merchants' Bank; J. M. Sandusky, Receiver.

KIDDER—Kidder Savings Bank; in hands of R. H. Schwenberger, Receiver.

MAYVIEW—Bank of Mayview.

MONTANA.

GREAT FALLS—Northwestern National Bank.

PHILLIPSBURG—First National Bank.

NEBRASKA.

ALMA—First National Bank; in hands of Albert Watkins, Receiver, Jan. 12.

BEATRICE—Farmers and Merchants' State Bank; in voluntary liquidation.

FULLERTON—Citizens' State Bank.

HAVELOCK—State Bank.

OSMOND—Osmond State Bank.

PIERCE—First National Bank, in voluntary liquidation by resolution of Dec. 31.

NEW YORK.

NEW YORK CITY—Samuel D. Davis & Co.—— Loomis L. White & Co.; dissolved by mutual consent.

NORTH CAROLINA.

CHARLOTTE—Loan and Savings Bank; going out of business.

OHIO.

FRANKLIN—First National Bank; suspended.

PENNSYLVANIA.

WEST CHESTER—Chester County Guarantee, Trust & Safe Deposit Co.; suspended Feb. 2.

SOUTH DAKOTA.

SIOUX FALLS—Dakota National Bank; in hands of C. F. Zimmerman, Rec., Jan. 20.

TENNESSEE.

JOHNSON CITY—Wautauga Bank; assigned.

TEXAS.

CISCO—First National Bank; in voluntary liquidation by resolution of Jan. 28.

WASHINGTON.

MONTESANO—Bank of Montesano.

OAKESDALE—First National Bank; in voluntary liquidation.

OLYMPIA—First National Bank; suspended Jan. 27.

SEATTLE—Seattle Savings Bank; in hands of H. O. Shuey, Receiver.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, February 6, 1897.

THE GENERAL IMPROVEMENT that was looked for to follow upon the advent of the new year has been somewhat slow in manifesting itself, and yet the situation financially and commercially is more favorable and hopeful than it was not very long ago.

The Government finances are certainly in much better condition than they were a year ago. The regular monthly deficit continues, it is true, and the Government must decide how it shall bring its receipts and expenses closer together than they are at present. But the cry for gold has ended and no one is urging or considering the necessity of more bond issues by the Government. It is just a year ago that the further bond issue to protect the gold reserve in the Treasury was subscribed. The Government then wanted $100,000,000, and wanted it very much. There was less than $48,000,000 of gold in the Treasury; for seven months consecutively gold had been going out of the country, more than $60,000,000 being exported during that time.

The situation is very much changed, for the Government now has nearly $145,000,000 of gold in excess of gold certificates outstanding. There is no rush to redeem notes in gold as there was a year ago; on the contrary legal-tender notes are coming out of the Treasury and gold is flowing in. There is no gold export movement, has been none for some time, and it is only a question how soon gold will be coming in from abroad in large volume.

If Congress in extra session will promptly enact a revenue measure which will avoid Treasury deficits the Government finances will have smooth sailing hereafter. This with so able and experienced a financier and banker as Mr. Gage, of Chicago, as Secretary of the Treasury, will re-establish confidence in the financial stability of the Government. The announcement that Mr. McKinley had decided to appoint Mr. Gage has already had considerable influence in reviving confidence. That the Treasury in his hands will be wisely managed is the unanimous sentiment in financial circles.

Congress so far has done very little in the way of legislation, and upon the new Congress will fall the duty of enacting revenue and financial laws. The House of Representatives voted down the bill to settle the indebtedness of the Union Pacific Railroad, and now a plan of foreclosure and sale of the road has been agreed upon. In railroad circles one of the most important events of the month was the reduction of the dividend of the Delaware & Hudson Railroad, which reflects the unfavorable condition of the coal trade which has existed for some time past.

The accumulation of money in New York has been the feature not only of the last month but of the past two months. The banks are suffering from a plethora of idle funds and to relieve themselves have been casting about for ways to maintain the rate for call money at 2 per cent. and to reduce the rate of interest allowed on deposits of out of town banks. The rate has been 2 per cent., but some bankers have notified their correspondents of a reduction to 1½ per cent., taking effect on February 1.

Easy money is also the feature abroad, and the Bank of England reduced its rate of discount from 4 to 3½ per cent. and the Bank of Germany its rate from 5 to 4 per cent. In the event of increased activity in general business either here or abroad, it is the general opinion that there will be no danger of a scarcity of money for some time to come.

Railroad earnings so far this year have not been encouraging. The returns so far since the first of the year have shown decreases, but the comparison is being made with substantial gains last year. In fact, January and February were the only months in 1896 which show large increases. The aggregate earnings of the railroads of the United States last year, when the compilation is completed, will probably show an increase of less than one per cent. as compared with 1895 and probably less than in 1892 or 1893.

An improvement in the business situation is indicated in a reduction in the number of commercial failures since January 1 as compared with a year ago, of about 20 per cent. The final figures reported by R. G. Dun & Co. for 1896 show that the year was one of disaster to very many business concerns. There were 15,088 commercial failures, with liabilities of $226,096,834, as compared with 18,197 failures and $173,000,000 liabilities in 1895. The banking failures in 1896 numbered 198, with liabilities of $50,718,915, as against only 132, with liabilities of $20,710,210 in 1895. The commercial failures were the largest in number of any year since records have been kept, excepting only in 1893. The amount of liabilities has been exceeded three times, in 1878, 1884 and 1893. The commercial failures in the past ten years have been as follows:

Year.	Number.	Liabilities.	Year.	Number.	Liabilities.
1887	9,634	$167,560,944	1892	10,344	$114,044,167
1888	10,679	123,829,973	1893	15,242	346,779,889
1889	10,882	148,784,337	1894	13,885	172,992,856
1890	10,907	189,856,964	1895	13,197	173,196,060
1891	12,273	189,868,688	1896	15,088	226,096,834

It generally requires about a month for the Government to complete its statement of the foreign trade movements for any stated period. Therefore the figures for the calendar year 1896 have only recently been received from Washington. They make a remarkable showing and are unprecedented in the history of the country. The exports of merchandise in 1896 reached the extraordinary aggregate of $1,005,878,417, the largest previous total being $970,509,646 in 1891, and the largest prior to that year being $889,683,422 in 1880. The imports of merchandise were valued at $680,556,233, the smallest since 1886, excepting only in 1894, when they were $676,312,941. The following table shows the exports, imports and net movement of merchandise yearly since 1890:

	Exports.	Imports.	Net Exports.
1891	$970,509,646	$828,320,943	$142,188,703
1892	938,420,660	840,930,955	97,489,705
1893	875,631,848	766,239,846	109,592,002
1894	825,102,248	676,312,941	148,789,307
1895	824,860,136	801,669,347	23,190,789
1896	1,005,878,417	680,556,233	325,322,184

The exports exceeded the imports by more than $325,000,000, the largest net balance ever recorded, the next highest being $305,479,590 in 1878. The year 1879 was the only other year in which the net exports ever exceeded $200,000,000. In all the leading products there was a substantial increase in the export movements.

Cotton exports were the largest in value since 1891 and $43,000,000 more than in 1895. Exports of breadstuffs increased $57,000,000 over the previous year, of provisions $1,700,000, and of petroleum $6,500,000.

For the first time in nine years the country gained gold by import, the net imports of gold in 1896 being $47,777,097, which is a very favorable change from the previous two years during which $151,000,000 of gold was exported.

The net movement of gold and silver in the past eight years is shown in the following table, the figures for the last four years, including the gold and silver contained in ores:

	Gold.	*Silver.*
1888	Exports, $23,595,674	Exports, $13,972,436
1889	" 38,928,828	" 21,474,988
1890	" 3,832,984	" 4,113,670
1891	" 34,116,471	" 9,500,129
1892	" 59,081,110	" 14,249,582
1893	" 6,703,151	" 18,592,052
1894	" 80,499,128	" 29,612,213
1895	" 70,571,010	" 29,837,739
1896	Imports, 47,777,097	" 33,787,884

The final estimates of the crops of 1896 were published by the Department of Agriculture, and while in recent years very serious errors are believed to have crept into some of the estimates, the Department figures are invariably considered with much interest. As regards the yield of last year there is nothing new to be said concerning the general result. The corn crop is the largest ever harvested, aggregating 2,283,875,000 bushels, an increase over 1895, the year of the largest previous yield, of 132,000,000 bushels. The wheat crop is 40,000,000 bushels less than that of 1895 and the smallest since 1890, excepting that of 1893. The estimated yield is 427,684,000 bushels. The oat crop is 117,000,000 bushels less than last year's bumper crop, but was excelled only in two other years, 1889 and 1891, the total yield of oats being 707,346,000 bushels. The yield of rye was 24,369,000 bushels, the smallest in the past four years. Barley has a yield of 69,695,000 bushels, or 17,000,000 bushels less than in 1895, and buckwheat of 14,090,000 bushels, a decrease of 1,250,000 bushels from the previous year.

In the matter of prices the grain grower has fared very badly except as to his wheat, for which cereal the price has advanced more than 40 per cent. as compared with the previous two years. The average farm prices of the different cereals for each of the past six years are reported by the Department of Agriculture as follows, in cents per bushel:

	Wheat.	*Corn.*	*Oats.*	*Rye.*	*Barley.*	*Buckwheat.*
1891	83.9	40.6	31.5	77.4	54.0	....
1892	62.4	39.4	31.7	54.8	47.2	....
1893	53.8	36.5	29.4	51.3	40.6	58.3
1894	49.1	45.7	32.4	50.1	44.2	55.6
1895	50.9	26.4	19.9	44.0	33.7	45.2
1896	72.6	21.5	18.7	40.9	32.3	39.2

The 1896 price of wheat has not been exceeded except three times in the past eleven years. On the other hand, the price of corn and all the other cereals was the lowest in twenty-five years.

The low price has caused a very large decrease in the farm value of products. In the case of the corn crop, while the yield was the largest ever known, the value realized was the smallest for any year since 1878. In 1876, when the yield was 1,000,000,000 bushels less than that of last year, the farm value of the crop was

only $16,000,000 less than that of the 1896 crop. The last four years' farm values of the cereal crops are shown as follows:

	1893.	1894.	1895.	1896.
Corn	$591,625,627	$554,719,162	$567,509,106	$491,007,000
Wheat	213,171,381	225,902,025	237,938,998	310,608,000
Oats	187,576,092	214,816,920	163,655,068	132,485,000
Rye	13,612,222	13,395,476	11,964,826	9,961,000
Barley	28,729,386	27,134,127	29,312,413	22,491,000
Buckwheat	7,074,450	7,040,238	6,936,525	5,522,000
	$1,041,789,158	$1,043,007,948	$1,017,316,936	$972,069,000

On the six crops mentioned in the above table the producers realized last year $45,000,000 less than in 1895 and about $70,000,000 less than in either 1893 or 1894. It will be noted that the corn crop of 1896 was valued at $100,000,000 less than the crop of 1893. The value of the corn crop of 1891, which was about 223,000,000 bushels less than last year, was $836,000,000, or $345,000,000 more than the crop of 1896.

The statistics of pig iron production in the United States in 1896 have been compiled by the American Iron and Steel Association and are of more than ordinary interest. Had the rate of production of the first half of the year been maintained in the second half the aggregate for the year would have been unparalleled. In the first six months the output of pig iron averaged over 191,000 tons per week, and on July 1, was at the rate of 180,532 tons per week. The total production during that period was 4,976,236 tons. In the last half of the year the industry became very much depressed, the weekly output fell to 112,782 tons by October 1, and the average for the six months was only 140,000 tons per week. The total was 3,646,891 tons, or 1,300,000 tons less than in the first half. Only once in any half year was the production of the first six months in 1896 ever exceeded, and only three times in the past eight years was the production as small as in the last six months of the year. The extremes of activity and depression were almost reached during that memorable and remarkable year. The aggregate production for the year, however, makes a favorable comparison with that of other years. Only three times has the product of any year been larger than that of 1896. The banner year was 1895, but the production in that year was only 823,181 tons greater than in 1896. The years of largest output were 1895, 9,446,808 tons; 1890, 9,202,703 tons, and 1892, 9,157,000 tons. In 1896 the total reached 8,623,127 tons. The production in each six months and year since 1884 has been as follows, in gross tons:

	First 6 Months.	Second 6 Months.	Year.
1885	1,920,371	2,124,154	4,044,525
1886	2,637,682	3,045,642	5,683,324
1887	3,049,294	3,367,854	6,417,148
1888	3,020,092	3,469,646	6,489,738
1889	3,661,603	3,942,039	7,603,642
1890	4,560,513	4,642,190	9,202,703
1891	3,368,107	4,911,763	8,279,870
1892	4,769,683	4,387,317	9,157,000
1893	4,562,918	2,561,584	7,124,502
1894	2,717,983	3,939,405	6,756,388
1895	4,087,558	5,358,750	9,446,308
1896	4,976,236	3,646,891	8,623,127

The consumption fell short of the production of pig iron last year about 340,000 tons, and the stocks on hand unsold at the close of the year were larger than at any corresponding date in the past six years.

THE MONEY MARKET.—The local money market has been deluged with supplies from outside points attracted by the 2 per cent. rate of interest allowed by the banks on deposits of interior banks. An effort has been made to maintain the minimum rate for call loans at two per cent., but not with entire success, and the rate for call money has been generally as low as 1½ @ 1¾ per cent. There has been a good demand for money on call, while for time money the demand has been light, with rates 1 per cent. lower than they were a month ago. Commercial paper is in fair supply, but the demand is ample to prevent any accumulation. At the close of the month call money ruled at 1½ @ 2 per cent. with the average rate about 1⅝ per cent., while banks and trust companies quote 1½ per cent. as the minimum rate. Time money on Stock Exchange collateral was quoted at 2 per cent. for 60 days, 2½ per cent for 90 days to four months, and 3 per cent for five to seven months. For commercial paper the rates are 3 per cent. for 60 to 90 days endorsed bills receivable, 3 @ 3½ per cent. for four months commission house and first-class four to six months single names and 4 @ 5 per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the following table:

MONEY RATES IN NEW YORK CITY.

	Sept. 1.	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*	*Feb. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	6 —8	3 —6	6 —	1 —3	1½—2½	1½—2
Call loans, banks and trust companies	6	6	12 —	3 —	2 —	1½
Brokers' loans on collateral, 30 to 60 days	6 —8	6	12 —	3 —	3 —	2
Brokers' loans on collateral, 90 days to 4 months	9 —11	6	10 —	3½—4	3½—	2½
Brokers' loans on collateral, 5 to 7 months	10 —11	6	6 —8	4 —	4 —	3
Commercial paper, endorsed bills receivable, 60 to 90 days	9	6½—7	8 —10	4 —4½	3¾—4	3
Commercial paper prime single names, 4 to 6 months	.....	7 —7½	8 —10	4½—5	4 —4½	3 —3½
Commercial paper, good single names, 4 to 6 months	.....	8 —9	8 —10	5 —6	4½—5½	4 —5

EUROPEAN BANKS.—The Bank of England and the Bank of Germany each gained gold last month, the one $15,000,000 and the other $5,000,000, while the Bank of France lost about $1,000,000. In the other Continental banks there has been little change in the gold holdings. The Bank of England has about $56,000,000 less gold than it held a year ago. The Banks of France and Germany each $5,000,000 less and Austro-Hungary $27,000,000 more.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	December 1, 1896.		*January 1, 1897.*		*February 1, 1897.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£36,050,848	.....	£34,158,899	.....	£37,106,112	.....
France	77,284,863	£49,274,611	76,584,590	£49,130,797	76,371,260	£49,174,154
Germany	28,964,000	14,482,000	28,505,450	14,252,750	29,504,034	14,752,016
Austro-Hungary	30,625,000	12,589,000	30,340,000	12,578,000	30,354,000	12,635,000
Spain	8,528,000	9,968,000	8,528,000	10,210,000	8,528,000	10,240,000
Netherlands	2,635,000	6,759,000	2,694,000	6,841,000	2,635,000	6,854,000
Nat. Belgium	2,701,333	1,350,667	2,736,667	1,368,333	2,795,333	1,397,667
Totals	£186,789,044	£94,423,278	£183,487,606	£94,380,880	£187,293,739	£95,052,837

MONEY RATES ABROAD.—There has been a decided fall in rates for money in the principal financial centres abroad. The Bank of England on January 20 reduced its

rate of discount from 4 to 3½ per cent. after maintaining the higher rate for three months. The Bank of Germany also reduced its rate from 5 to 4 per cent., the former rate having been made on October 10. At the close of the month the London rate of discount for 60 to 90 day bank bills was 2⅛ per cent., a decline of 1⅛ per cent. for the month. The open market rate at Paris is unchanged at 2 per cent., while at Berlin and Frankfort rates have declined from 4¼ per cent. to 2⅞ @ 3 per cent.

MONEY RATES IN FOREIGN MARKETS.

	Aug. 14.	Sept. 18.	Oct. 16.	Nov. 13.	Dec. 11.	Jan. 15.
London—Bank rate of discount.....	2	2½	3	4	4	4
Market rates of discount:						
60 days bankers' drafts.....	⅞—1	1⅞	2¾	3⅝	3½— ¼	2⅛
6 months bankers' drafts....	⅞— 1	1⅞— 2	2⅞	3⅛—3¼	3¾	2⅝
Loans—Day to day.....	½	1	1½	3	2½	2½
Paris, open market rates.....	1½	1⅞	2	1⅞	1¾	1⅞
Berlin, "	2½	3¾	4⅜	4¾	4⅞	3½
Hamburg, "	2½	3¾	4⅜	4⅝	4⅞	3½
Frankfort, "	2½	3⅝	4½	4⅝	4⅞	3½
Amsterdam, "	2½	2½	3	3½	3	2⅝
Vienna, "	3¾	4	3⅞	3¾	3¾	3⅜
St. Petersburg, "	6	5¼	5½	6	5¼	6
Madrid, "	5	5	5	5	4	4
Copenhagen, "	3½	3½	4½	4½	4	4

FOREIGN EXCHANGE.—The market for sterling exchange has been very irregular, although quotations have ruled higher, and at the close of the month were higher than at the opening of the year. The market has been affected by the declining rates for money in London, and it is understood that a considerable amount of maturing long bills has been sent to London for collection, instead of being sold in New York. The following table shows the condition of foreign exchange markets:

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	BANKERS' STERLING. 60 days.	BANKERS' STERLING. Sight.	Cable transfers.	Prime commercial. Long.	Documentary Sterling. 60 days.
Jan. 2.....	4.83¾ @ 4.84	4.86¼ @ 4.86½	4.87 @ 4.87¼	4.83 @ 4.83¼	4.82¼ @ 4.83
" 9.....	4.84 @ 4.84½	4.87 @ 4.87½	4.87½ @ 4.87¾	4.83½ @ 4.83½	4.82½ @ 4.83¼
" 16.....	4.84¾ @ 4.85	4.87½ @ 4.87¾	4.88 @ 4.88¼	4.84 @ 4.84½	4.83½ @ 4.84
" 23.....	4.84½ @ 4.84¾	4.87 @ 4.87½	4.87½ @ 4.87¾	4.84 @ 4.84½	4.83¾ @ 4.84
" 30.....	4.84¾ @ 4.85	4.86 ¾@ 4.87	4.87¼ @ 4.87½	4.84½ @ 4.84½	4.83½ @ 4.84¼

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Oct. 1.	Nov. 1.	Dec. 1.	Jan. 1.	Feb. 1.
Sterling Bankers—60 days.....	4.82¾— 3	4.81½— 2	4.83¾— 4	4.83½— ¾	4.84¾— 5
" " Sight.....	4.85½— ½	4.84½— ¾	4.86¾— 7	4.86½— ¾	4.86¾— 7
" " Cables.....	4.85¾— 6	4.85¼— ½	4.87 — ¼	4.87 — ¼	4.87¼— ½
" Commercial long.....	4.82¼— ¾	4.81 — ½	4.82¾— 3	4.83 — ¼	4.84 — ½
" Docu'tary for paym't.	4.81½— 2½	4.80 — ¾	4.82½— ¾	4.82¼— 3	4.83¼— 4¼
Paris—Cable transfers.....	5.18⅛— 7½	5.19⅜— 8¾	5.17½—	5.17½—	5.16¼—
" Bankers' 60 days.....	5.20⅝—	5.22½— 17½	5.20⅛—20	5.20 —19⅜	5.18¾—
" Bankers' sight.....	5.18⅜— ⅛	5.20 — 9½	5.18⅛—	5.18⅛—	5.16⅞—
Antwerp—Commercial 60 days.	5.23⅜— ⅛	5.25 — 4½	5.23⅛— 21½	5.22½— 17½	5.21¼—20⅝
Swiss—Bankers' sight.....	5.18⅜— ⅛	5.19⅜— 8¾	5.19⅜— 8¾	5.20 —19⅜	5.18¾—
Berlin—Bankers' 60 days.....	94⅝— ⅛	94⅞— ½	94¾— ⅛	94⅞— ⅛	95 — ½
" Bankers' sight.....	95⅛— ⅜	95⅛— ⅛	95⅛— ⅛	95⅛— ⅛	95⅛— ⅛
Brussels—Bankers' sight.....	5.18¾—	5.20 —	5.18¾— 1⅛	5.18¾— ⅛	5.17½— 6⅜
Amsterdam—Bankers' sight....	40⅛— ⅛	40 — ⅛	40⅛— ⅛	40⅛— ⅛	40⅛— ⅜
Kronors—Bankers' sight	26⅛— 7	26⅞— ⅛	27 — ⅛	27 — ⅛	26⅛—27
Italian lire—sight.....	5.60 —50	5.57½—47½	5.55 —45	5.45 — 35	5.41½—38½

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Oct. 14, 1896.	*Nov. 11, 1896.*	*Dec. 20, 1896.*	*Jan. 13, 1897.*
Circulation (exc. b'k post bills)	£27,445,550	£26,546,525	£26,021,850	£26,024,905
Public deposits	5,420,991	5,393,967	6,826,337	6,902,759
Other deposits	47,706,184	43,509,134	42,213,382	25,042,695
Government securities	16,185,047	13,758,066	13,752,969	14,935,117
Other securities	27,986,077	27,529,644	27,137,935	28,896,268
Reserve of notes and coin	26,770,993	25,718,470	26,001,241	26,360,377
Coin and bullion	37,596,545	35,464,995	35,223,091	35,594,282
Reserve to liabilities	50¼%	52⅝%	53⅞%	50½%
Bank rate of discount	3%	4%	4%	4%
Market rate, 3 months' bills	2⅝@2¾%	3½@3¾%	3⅝ @ 3¾%	2⅞%
Price of Consols (2¾ per cents.)	108⅛	110¼	110¾	111⅛
Price of silver per ounce	29¾d.	30⅝d.	30d.	29 11-16d.
Average price of wheat	25s. 2d.	30s. 9d.	32s. 8d.	29s.

SILVER.—The silver market in London has been very quiet and the fluctuations have been exceptionally narrow. For two weeks at a time there was no change at all in the quotations. There was a decline from 29 13-16 to 29 11-16 in the first week of the month, then an advance to 29¾ on January 22, and a decline to 29 11-16, the closing price, on January 30, making a net loss of 1/16d. for the month.

MONTHLY RANGE OF SILVER IN LONDON—1894, 1895, 1896.

MONTH.	*1895.*		*1896.*		*1897.*		MONTH.	*1895.*		*1896.*		*1897.*	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	27 7/16	27 3/16	30 5/16	30 7/16	29 11/16	29 11/16	July.....	30⅝	30¼	31⅝	31⅜		
February	27 11/16	27¼	31 3/16	30⅝			August ..	30 7/16	30¼	31⅝	30⅝		
March....	30¼	27⅝	31 13/16	31 1/16			Septemb'r	30 7/16	30 7/16	30 11/16	30		
April.....	30⅝	29⅝	31 7/16	30 13/16			October..	31⅝	30⅝	30 7/16	29¾		
May.....	30⅝	30 3/16	31 3/16	30 11/16			Novemb'r	31	30⅝	30 1/16	29¾		
June.....	30 11/16	30⅝	31 1/16	31 1/16			Decemb'r	30 11/16	30	30	29 11/16		

GOVERNMENT REVENUES AND DISBURSEMENTS.—The Government receipts for the first month of the year were exceptionally small in volume, only about $24,300,000, a decrease from December of $1,500,000, and from January, 1896, of nearly $5,000,000. The expenditures increased $6,000,000 over those of December, but were $2,000,000 less than in January, 1896. A deficit of nearly $6,000,000 is shown for the month, making nearly $44,000,000 for the fiscal year since July 1, 1896. Smaller interest payments this month may make the showing for February somewhat better, but the disbursements on account of pensions are likely to be somewhat larger.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*January, 1897.*	*Since July 1, 1896.*	*Source.*	*January, 1897.*	*Since July 1, 1896.*
Customs	$11,276,874	$79,008,556	Civil and mis	$4,885,144	$58,385,619
Internal revenue	11,031,840	88,753,581	War	3,845,000	31,346,745
Miscellaneous	2,008,280	13,972,460	Navy	3,022,655	20,511,730
			Indians	1,000,304	7,191,456
			Pensions	10,654,000	82,593,105
Total	$24,316,994	$181,824,597	Interest	6,869,000	25,657,448
Excess of expenditures	$5,959,109	$43,861,506	Total	$30,276,103	$225,686,104

UNITED STATES TREASURY CASH RESOURCES.

	Oct. 31.	*Nov. 30.*	*Dec. 31.*	*Jan. 31.*
Net gold	$118,443,021	$130,407,237	$136,746,473	$144,637,729
Net silver	14,079,505	17,162,998	18,742,601	19,369,997
U. S. notes	56,317,133	35,809,737	34,585,497	12,528,193
Miscellaneous assets (less current liabilities)	32,542,387	28,797,586	21,474,993	37,141,510
Deposits in National banks	16,110,047	15,828,924	16,065,955	16,550,585
Available cash balance	$237,492,094	$228,006,484	$227,615,461	$230,227,994

UNITED STATES GOVERNMENT RECEIPTS AND EXPENDITURES AND NET GOLD IN THE TREASURY.

MONTH.	1896.			1897.		
	Receipts.	*Expenditures.*	*Net Gold in Treasury.*	*Receipts.*	*Expenditures.*	*Net Gold in Treasury.*
January	$29,237,670	$32,529,340	$49,845,507	$24,316,994	$30,276,108	*$144,637,729
February	26,059,228	26,749,956	123,962,979	.....	.....	.....
March	26,041,149	27,274,994	123,646,461	.....	.....	.....
April	24,282,893	28,987,381	125,393,900	.....	.....	.....
May	24,843,718	28,426,592	108,345,234	.....	.....	.....
June	27,794,219	25,444,789	101,699,605	.....	.....	.....
July	29,029,209	42,088,468	110,718,746	.....	.....	.....
August	25,562,097	35,701,676	100,957,561	.....	.....	.....
September	24,584,244	26,579,535	124,034,672	.....	.....	.....
October	26,282,829	33,978,277	117,126,523	.....	.....	.....
November	25,210,696	33,260,720	131,510,352	.....	.....	.....
December	25,857,114	23,812,664	137,316,543	.....	.....	.....

* This balance as reported in the Treasury sheet on the last day of the month.

NATIONAL BANK CIRCULATION.—There was a reduction in the total amount of bank note circulation last month of $568,000. The recent failure of a number of National banks is responsible for the decrease in circulation which has occurred. More than $3,000,000 of Government bonds deposited to secure circulation have been withdrawn, causing a decrease of $2,600,000 in circulation based on Government bonds. More than $2,000,000 of lawful money was deposited last month to retire circulation, making an increase of nearly $3,500,000 in the past three months.

NATIONAL BANK CIRCULATION.

	Oct. 31, 1896.	*Nov. 30, 1896.*	*Dec. 31, 1896.*	*Jan. 31, 1897.*
Total amount outstanding	$234,897,657	$235,312,103	$235,576,381	$235,008,085
Circulation based on U. S. bonds	216,510,014	216,609,684	215,850,307	213,186,711
Circulation secured by lawful money	18,387,643	18,702,419	19,726,074	21,821,374
U. S. bonds to secure circulation:				
Four per cents. of 1895	36,531,650	36,910,050	37,981,550	37,213,050
Pacific RR. bonds, 6 per cent	10,386,000	10,391,000	9,521,000	8,961,000
Funded loan of 1891, 2 per cent	22,673,850	22,623,850	22,502,850	22,637,650
" " 1907, 4 per cent	155,473,000	155,530,900	154,626,400	153,182,050
Five per cents. of 1894	16,038,850	15,816,350	15,514,350	15,196,350
Total	$241,103,350	$241,272,150	$240,236,150	$237,190,100

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $1,850,000; Pacific Railroad 6 per cents., $375,000; 2 per cents of 1891, $1,033,000; 4 per cents of 1907, $12,145,000; 5 per cents. of 1894, $535,000, a total of $15,938,000. The circulation of National gold banks, not included in the above statement, is $86,577.

COIN AND BULLION QUOTATIONS.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Trade dollars	$ .65	.....	Twenty marks	$4.74	$4.79
Mexican dollars	.50½	$ .51¼	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos	.45½	.46½	Spanish 25 pesos	4.79	4.83
English silver	4.82	4.86½	Mexican doubloons	15.55	15.75
Victoria sovereigns	4.86	4.89	Mexican 20 pesos	19.50	19.60
Five francs	.93	.96	Ten guilders	3.95	3.99
Twenty francs	3.86	3.90			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 29⅛d. per ounce. New York market for large commercial silver bars, 64¾ @ 65⅝c. Fine silver (Government assay), 65 @ 66c.

NEW YORK CITY BANKS.—There has been a further accumulation of deposits in the clearing-house banks of this city to the amount of nearly $33,000,000 since January 2. Since early in November last the deposits have increased about

$125,000,000 and they are now within $32,000,000 of the largest total ever recorded. The supply of funds has become excessive, as indicated in the decrease in loans and the increase of nearly $26,000,000 in surplus reserve. The surplus, as compared with that of a year ago, shows an increase of $19,500,000, the deposits of $73,000,000 and loans of $41,000,000. There was a small increase in specie holdings of the banks, about $3,300,000, while in legal tenders there was an increase of $30,000,000.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Jan. 2...	$491,375,900	$76,342,300	$89,640,900	$530,785,000	$33,286,950	$19,800,100	$525,331,500
" 9...	491,116,200	76,893,000	104,108,000	548,038,200	43,991,450	18,907,800	710,206,400
" 16...	491,399,280	77,821,300	113,697,800	557,388,300	52,172,525	18,743,900	580,757,200
" 23...	490,338,700	79,134,100	118,803,600	563,479,600	57,067,800	18,479,800	608,254,000
" 30...	488,765,700	79,684,600	120,296,600	563,331,800	59,148,250	18,111,500	525,710,100

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1895.		1896.		1897.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$549,291,400	$35,268,850	$501,089,300	$15,939,675	$530,785,000	$33,286,950
February.....	546,965,200	36,751,500	490,447,200	39,623,400	563,331,800	59,148,250
March.....	528,440,800	28,054,500	489,612,200	24,442,150		
April.....	504,240,200	18,413,450	481,795,700	17,005,975		
May.....	526,998,100	27,233,575	495,004,100	22,944,275		
June.....	566,229,400	41,221,250	498,874,100	22,230,675		
July.....	570,436,300	34,225,925	499,046,900	20,828,275		
August.....	574,304,500	40,917,175	485,014,000	17,728,600		
September....	574,929,900	39,149,925	451,934,800	8,836,200		
October.....	549,136,500	22,296,175	454,733,100	16,526,025		
November	529,862,400	17,594,400	446,445,900	17,463,225		
December.....	520,788,000	18,613,300	490,634,300	31,411,625		

Deposits reached the highest amount, $595,104,900 on November 3, 1894, and the surplus reserve $111,623,000 on February 3, 1894.

BOSTON AND PHILADELPHIA BANKS.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following table:

BOSTON BANKS.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
January 2..	$166,322,000	$155,302,000	$10,710,000	$8,165,000	$9,896,000	$95,372,400
" 9..	168,294,000	158,506,000	10,974,000	7,456,000	9,958,000	104,887,500
" 16..	168,430,000	159,614,000	11,061,000	8,007,000	9,930,000	92,299,500
" 23..	169,077,000	161,287,000	10,904,000	8,071,000	9,786,000	101,241,100
" 30..	170,025,000	159,957,000	10,763,000	7,622,000	9,555,000	76,409,645

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
January 2.....	$100,333,000	$102,444,000	$31,596,000	$7,176,000	$52,575,200
" 9.....	100,382,000	103,449,000	35,104,000	7,061,000	71,160,500
" 16.....	100,349,000	106,107,000	35,521,000	7,118,000	62,939,700
" 23.....	100,254,000	106,328,000	36,700,000	7,033,000	63,716,300
" 30.....	100,239,000	107,223,000	37,445,000	6,955,000	53,722,300

MONEY IN THE UNITED STATES TREASURY.—The United States Treasury continues to gain in gross cash but to lose in net cash. There is about $7,000,000 more money in the Treasury than there was a month ago, but there are about $18,000,000

more certificates and notes, a lien on the Treasury cash, outstanding, so the Government is nearly $11,000,000 poorer in cash than it was on January 1. More than $7,000,000 of gold went into the Treasury without any increase in the issue of gold certificates, so the Government is owner of that much more gold than it was a month ago.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1896.	Dec. 1, 1896.	Jan. 1, 1897.	Feb. 1, 1897.
Gold coin	$83,378,392	$117,557,275	$120,638,598	$130,100,363
Gold bullion	29,820,315	51,969,827	54,565,385	52,286,750
Silver Dollars	364,083,702	382,972,296	384,584,572	388,617,255
Silver bullion	124,612,532	112,137,954	110,815,247	109,704,519
Subsidiary silver	12,764,321	14,570,200	14,215,766	15,414,575
United States notes	115,825,143	71,975,533	85,313,258	78,194,780
National bank notes	7,063,137	13,063,471	14,278,970	17,328,389
Total	$737,547,542	$764,246,556	$784,411,796	$791,646,640
Certificates and Treasury notes, 1890, outstanding	533,344,856	512,946,771	529,044,460	547,006,544
Net cash in Treasury	$204,202,686	$251,299,785	$255,367,336	$244,640,096

MONEY IN CIRCULATION.—The circulating medium of the country experienced an exceptional expansion last month, increasing $15,754,000. The greenback circulation increased $22,000,000 and silver certificates $4,680,000. There was a reduction of $11,000,000 in the other forms of money, about one-third of which was in National bank notes. Since November 1, 1896, the total money in circulation has increased nearly $39,000,000, and since January 1, 1896, $86,000,000. The following statement shows the amounts of the various kinds of money in circulation on the dates named, the estimated population and the per capita circulation.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1896.	Dec. 1, 1896.	Jan. 1, 1897.	Feb. 1, 1897.
Gold coin	$484,728,547	$516,729,882	$517,743,229	$515,468,129
Silver dollars	59,205,927	58,493,845	58,581,819	56,361,136
Subsidiary silver	64,417,685	61,233,346	62,101,986	60,889,370
Gold certificates	49,936,439	38,016,749	37,887,439	37,586,629
Silver certificates	336,076,648	356,312,121	356,655,800	361,336,533
Treasury notes, Act July 14, 1890	115,726,769	80,147,901	84,171,221	82,733,382
United States notes	230,855,873	274,705,483	261,367,758	268,486,236
Currency certificates, Act June 8, 1872	31,605,000	38,470,000	50,330,000	65,350,000
National bank notes	206,653,836	222,335,419	221,384,148	217,766,273
Total	$1,579,206,724	$1,646,444,746	$1,650,223,400	$1,665,977,688
Population of United States	70,690,000	72,090,000	72,150,000	72,288,000
Circulation per capita	$22.36	$22.86	$22.87	$23.05

THE SUPPLY OF MONEY IN THE COUNTRY.—The country is once more depending upon its domestic gold production for its new supply of money. The total stock of money was increased last month about $5,000,000, and while there are some slight

TOTAL SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1896.	Dec. 1, 1896.	Jan. 1, 1897.	Feb. 1, 1897.
Gold coin	$568,106,939	$634,287,157	$638,381,827	$645,568,492
Gold bullion	29,820,315	51,969,827	54,565,385	52,286,750
Silver dollars	423,289,629	441,466,141	443,166,391	444,978,391
Silver bullion	124,612,532	112,137,954	110,815,247	109,704,519
Subsidiary silver	77,182,006	75,803,546	76,317,752	76,303,945
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	213,716,973	235,398,890	235,663,118	235,094,662
Total	$1,783,409,410	$1,897,744,531	$1,905,590,736	$1,910,617,784

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

changes in other forms of money, the increase in the amount of gold coin and bullion in the country represents the entire gain in the total supply of money of all kinds. There has been an increase in the aggregate since November 1, 1896, of $89,000,000, all of which has gone into circulation, and since January 1, 1896, of $127,000,000. The preceding statement shows the amount of each kind of money in the country on the dates mentioned.

GOLD AND SILVER COINAGE.—The coinage of the mints in January aggregated $9,851,220, as follows: Gold, $7,803,420; silver, $1,964,800; minor, $83,000. There were $1,812,000 of standard silver dollars coined.

COINAGE OF THE UNITED STATES MINTS.

	1896.		*1897.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*
January	$12,914,600	$65,000	$7,803,420	$1,964,800
February	1,240,000	1,500,000	.....	.....
March	1,540,555	1,693,531	.....	.....
April	1,500,000	1,831,000	.....	.....
May	2,857,200	1,826,490	.....	.....
June	2,471,217	1,950,693	.....	.....
July	2,918,200	1,092,000	.....	.....
August	3,315,000	2,686,000	.....	.....
September	3,140,923	2,754,185	.....	.....
October	5,727,500	2,844,010	.....	.....
November	5,064,700	2,305,022	.....	.....
December	4,363,165	2,551,968	.....	.....
Year	$47,052,561	$23,089,899	.....	.....

FOREIGN TRADE MOVEMENTS.—The extraordinary volume of our exports of merchandise in recent months has been commanding widespread attention, and the last

EXPORTS AND IMPORTS OF UNITED STATES.

MONTH OF DECEMBER.	MERCHANDISE.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1891	$119,985,896	$69,448,023	Exp., $50,487,873	Imp., $5,764,350	Exp., $754,371
1892	87,545,818	65,126,356	" 22,419,462	Exp., 11,339,189	" 2,885,608
1893	93,551,729	49,924,867	" 43,626,862	" 1,908,300	" 4,313,663
1894	84,876,846	62,135,431	" 22,741,415	" 9,424,439	" 2,903,278
1895	92,529,117	62,201,047	" 30,328,070	" 14,170,899	" 4,276,048
1896	117,227,102	57,956,009	" 59,271,093	Imp., 2,166,415	" 5,539,744
TWELVE MONTHS.					
1891	970,509,646	828,320,943	Exp., 142,188,703	Exp., 34,116,471	Exp., 9,509,129
1892	988,420,660	840,930,955	" 97,489,705	" 59,081,110	" 14,249,582
1893	876,108,781	776,248,924	" 99,850,859	" 7,013,431	" 28,013,917
1894	825,102,248	676,312,941	" 148,789,307	" 81,212,363	" 37,319,797
1895	824,860,136	801,669,347	" 23,100,789	" 72,066,287	" 42,547,146
1896	1,005,878,417	680,556,233	" 325,322,184	Imp., 46,023,594	" 50,514,759

GOLD MOVEMENT FOR FOUR YEARS.

	1893-1894.	*1894-1895.*	*1895-1896.*	*1896-1897.*
July	Imp., $5,776,401	Exp., $12,823,572	Exp., $3,206,067	Exp., $9,097,788
August	" 40,822,529	" 1,935,308	" 15,133,175	Imp. 2,066,997
September	" 5,242,083	Imp., 418,118	" 16,674,609	" 34,098,080
October	" 1,072,919	" 519,851	" 76,857	" 27,617,915
November	" 4,139,832	" 1,507,388	" 13,468,188	" 6,920,829
December	Exp., 1,908,300	Exp., 9,424,439	" 14,170,899	" 2,166,415
January	" 573,790	" 24,098,489	" 198,586	
February	" 1,068,335	Imp., 4,067,008	Imp., 9,375,389	
March	" 2,929,241	" 4,120,290	" 293,653	
April	" 9,402,110	" 2,029,761	Exp., 2,662,498	
May	" 23,124,058	" 3,271,193	" 18,499,415	
June	" 22,376,872	" 1,963,750	" 6,077,397	
Year	Exp., $4,528,942	Exp., $30,984,449	Exp., $80,588,649	

month of the year recorded the largest total of any month in the year, or in several years. The exports in December reached $117,000,000, being the third consecutive month in which the total went above $100,000,000. There was a further falling off in imports, the total being less than $58,000,000, as against $62,000,000 in December, 1894 and 1895. The net exports reached $59,000,000, making for the year a balance of $325,000,000 of exports in excess of imports, the largest ever reported for any calendar year. In the last four months of the year the exports exceeded the imports by $215,000,000. The gold movement was small in December, but the country gained by import $2,166,415 in coin and bullion, and about $200,000 in ore. There was $5,539,744 of silver coin and bullion exported, and about $1,600,000 of ore imported. The year's record shows imports of gold coin and bullion $46,000,000, and gold ore $1,753,000, and exports of silver coin and bullion $50,514,000, and imports of silver ore $16,736,875. The total exports of merchandise and specie exceeded the imports last year by $344,796,721, a balance sufficiently large to indicate that a balance of indebtedness has been created favorable to the United States. The preceding tables show the movements of merchandise, gold and silver for the month and twelve months ended December 31 for the past six years.

UNITED STATES PUBLIC DEBT.—The Government is still increasing its debt by diminishing its resources. The interest-bearing debt remains practically unchanged, but the bank note redemption account has been increased $2,000,000 and certificates against money in the Treasury $15,000,000. There was also a net increase in demand liabilties of $3,000,000. Against these increases in obligations there is a gain of only $5,000,000 in cash assets, making an increase in the net debt of $5,000,000 and bringing the latter up to $1,008,000,000.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1896.	*Dec. 1, 1896.*	*Jan. 1, 1897.*	*Feb. 1, 1897.*
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,631,750	559,638,450	559,638,900	559,639,100
Refunding certificates, 4 per cent	50,310	46,170	45,890	45,750
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	62,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$747,361,960	$847,364,520	$847,364,690	$847,364,750
Debt on which interest has ceased	1,674,510	1,591,620	1,383,070	1,382,980
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct	22,659,734	18,544,249	18,876,333	20,997,189
Fractional currency	6,893,394	6,890,504	6,890,504	6,890,504
Total non-interest bearing debt	$376,288,992	$372,170,117	$372,502,201	$374,623,057
Total interest and non-interest debt	1,125,325,462	1,221,126,257	1,221,249,961	1,223,370,787
Certificates and notes offset by cash in the treasury:				
Gold certificates	50,099,889	39,433,139	39,279,789	39,046,789
Silver "	345,702,504	367,903,504	370,883,504	373,015,504
Certificates of deposit	34,450,000	38,510,000	50,830,000	65,515,000
Treasury notes of 1890	137,771,280	121,677,280	119,816,280	118,398,280
Total certificates and notes	$568,023,673	$567,523,923	$580,809,573	$595,975,573
Aggregate debt	1,693,349,135	1,788,650,180	1,802,059,534	1,819,346,310
Cash in the Treasury:				
Total cash assets	787,578,447	835,961,579	853,463,551	858,553,910
Demand liabilities	609,551,247	610,604,481	625,143,172	643,191,490
Balance	$178,027,200	$225,357,098	$228,320,379	$215,362,420
Gold reserve	63,262,268	100,000,000	100,000,000	100,000,000
Net cash balance	114,764,932	125,357,098	128,320,379	115,362,420
Total	$178,027,200	$225,357,098	$228,320,379	$215,362,420
Total debt, less cash in the Treasury	947,298,262	995,769,159	992,929,582	1,008,008,317

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of January, and the highest and lowest during the year 1897, by dates, and also, for comparison, the range of prices in 1896:

	Year 1896.		Highest and Lowest in 1897.				January, 1897.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	18	8¼	15⅛—Jan.	18	13¼—Jan.	8	15⅛	13¼	15⅛
" preferred	28⅛	14⅜	25¾—Jan.	30	22⅞—Jan.	11	25¾	22⅞	25¾
Atlantic & Pacific	1	⅝	½—Jan.	14	¼—Jan.	22	½	¼	¼
Baltimore & Ohio	44	10⅛	18 —Jan.	8	14¼—Jan.	22	18	14¼	15¼
Bay State Gas	33	7	13¾—Jan.	6	11¼—Jan.	7	13¾	11¼	12
Brooklyn Rapid Transit	25⅛	18	19¼—Jan.	4	18⅝—Jan.	7	19¼	18⅝	19
Canadian Pacific	62¾	52	56 —Jan.	8	54¾—Jan.	25	56	54¾	54¾
Canada Southern	51¾	40⅜	46¾—Jan.	19	44⅛—Jan.	13	46¾	44⅛	45¼
Central of New Jersey	110	87½	103¾—Jan.	19	98 —Jan.	25	103¾	98	101
Central Pacific	16½	13⅛	15 —Jan.	5	13 —Jan.	29	15	13	13
Ches. & Ohio vtg. ctfs	18½	11	18¼—Jan.	18	16¼—Jan.	4	18¼	16¼	18
Chicago & Alton	164	146	166 —Jan.	30	164 —Jan.	18	166	164	166
Chicago, Burl. & Quincy	83¾	53	77¼—Jan.	18	69⅜—Jan.	5	77¼	69⅜	75⅝
Chicago & E. Illinois	43	37½							
" preferred	100½	90							
Chicago Gas	78¾	44⅝	79½—Jan.	18	78¼—Jan.	5	79½	78¼	78¾
Chic., Milwaukee & St. Paul	80	59⅝	77⅜—Jan.	18	72¾—Jan.	5	77⅜	72¾	77⅛
" preferred	131	117½	132½—Jan.	30	131 —Jan.	6	132½	131	132½
Chicago & Northwestern	106¾	85⅛	105¼—Jan.	18	102¼—Jan.	2	105¼	102¼	105
" preferred	152	140¾	154 —Jan.	29	153 —Jan.	12	154	153	154
Chicago, Rock I. & Pacific	74⅞	49¼	70 —Jan.	16	65⅞—Jan.	5	70	65⅞	68⅞
Chic., St. Paul, Minn. & Om	49¾	30½	52¼—Jan.	18	47 —Jan.	2	52¼	47	51
" preferred	133	117	133½—Jan.	18	133 —Jan.	7	133½	133	133
Clev., Cin., Chic. & St. Louis	39½	19½	30 —Jan.	18	26½—Jan.	2	30	26½	28
" preferred	90½	73	73¾—Jan.	4	73 —Jan.	4	73¾	73	73
Col. Coal & Iron Devel. Co	4⅜	¼	1 —Jan.	19	½—Jan.	29	1	½	½
Col. Fuel & Iron Co	34¼	14⅝	27 —Jan.	19	23 —Jan.	14	27	23	26
Col. Hocking Val. & Tol	20½	12½	18 —Jan.	8	7 —Jan.	27	18	7	11⅜
" preferred	60	48	46 —Jan.	21	40 —Jan.	21	46	40	40
Consolidated Gas Co	168	133	150 —Jan.	28	136½—Jan.	2	150	136½	147¾
Delaware & Hud. Canal Co	129⅝	114⅛	121¾—Jan.	6	106⅛—Jan.	27	121¾	106⅛	107⅝
Delaware, Lack. & Western	166	138	157¾—Jan.	18	151 —Jan.	29	157¾	151	154
Denver & Rio Grande	14	10	12¼—Jan.	19	12 —Jan.	27	12¼	12	12
" preferred	51	37	43¼—Jan.	19	42 —Jan.	21	43⅛	42	42
Edison Elec. Illum. Co., N. Y.	101½	89	104¼—Jan.	29	101¾—Jan.	2	104¼	101¾	104¼
Erie	17¾	10¼	15¼—Jan.	18	14⅝—Jan.	11	15¼	14⅝	15⅛
" 1st pref	41¾	27	35½—Jan.	18	33 —Jan.	11	35½	33	33½
" 2d pref	25	13	21 —Jan.	15	20 —Jan.	13	21	20	21
Evansville & Terre Haute	34½	24							
Express Adams	154	135	155 —Jan.	9	150 —Jan.	7	155	150	150
" American	116	105	111¼—Jan.	21	109½—Jan.	28	111¼	109½	109½
" United States	48	35	40 —Jan.	7	38 —Jan.	22	40	38	39⅞
" Wells, Fargo	101	80	100 —Jan.	22	97 —Jan.	2	100	97	99½
Great Northern, preferred	122	108¼	121 —Jan.	29	120 —Jan.	16	121	120	121
Illinois Central	98	84⅛	9 —Jan.	22	92¾—Jan.	8	95	92¾	95
Iowa Central	10¼	5½	8 —Jan.	16	6½—Jan.	27	8	6½	7¼
" preferred	38	19	27¼—Jan.	20	25 —Jan.	4	27¼	25	26
Laclede Gas	30	17	25 —Jan.	18	22½—Jan.	14	25	22½	24¾
" preferred	86¼	68¼	75 —Jan.	28	75 —Jan.	28	75	75	75
Lake Erie & Western	22½	12⅛	18¼—Jan.	18	16 —Jan.	30	18¼	16	16
" preferred	75	55½	70¼—Jan.	20	67½—Jan.	12	70¼	67½	69½
Lake Shore	156	134¾	154½—Jan.	19	152 —Jan.	2	154½	152	153
Long Island	84	40½	55 —Jan.	8	42½—Jan.	22	55	42½	51½
Louisville & Nashville	55⅝	37⅛	52½ Jan.	19	47⅜—Jan.	5	52½	47⅜	51¾
Louis., N. A. & Chic., Tr. ctfs	10½	¼	¼—Jan.	11	¼—Jan.	11	¼	¼	¼
" preferred	24¾	1							
Manhattan consol	113½	73¼	94 —Jan.	18	87 —Jan.	11	94	87	91
Metropolitan Traction	114	79¼	110⅞—Jan.	6	108¾—Jan.	2	110⅞	108¾	109
Michigan Central	97⅛	89	91 —Jan.	12	90 —Jan.	28	91	90	90
Minneapolis & St. Louis	21¾	12	19¾—Jan.	29	19 —Jan.	6	19¾	19	19¾
" 1st pref	83	54	79½—Jan.	18	78 —Jan.	16	79½	78	79
" 2d pref	53½	30	48 —Jan.	30	46⅞—Jan.	16	48	46⅞	48
Missouri, Kan. & Tex	14¾	9⅛	14⅛—Jan.	18	13¼—Jan.	4	14⅛	13⅛	14¼
" preferred	31⅞	16	31⅞—Jan.	18	28½—Jan.	4	31⅞	28½	31½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1896.		Highest and Lowest in 1897.				January, 1897.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Missouri Pacific	29¾	15	24¼	—Jan. 18	20	—Jan. 4	24¼	20	23
Mobile & Ohio	25	14	22⅛	—Jan. 12	21⅛	—Jan. 14	22⅛	21⅛	22
New England	51¼	35							
N. Y. Cent. & Hudson River	99¾	88	95	—Jan. 19	93⅝	—Jan. 26	95	93⅝	93⅝
N. Y. Chicago & St. Louis	15	9	12⅛	—Jan. 18	11⅜	—Jan. 5	12⅛	11⅜	12
" 1st preferred	80	67½	70	—Jan. 22	70	—Jan. 22	70	70	70
" 2d preferred	35⅝	20	27	—Jan. 7	27	—Jan. 7	27	27	27
N. Y., New Haven & Hartf'd.	186	160	178	—Jan. 4	175¼	—Jan. 30	178	175¼	175¼
N. Y., Ontario & Western	16⅝	11⅛	15⅝	—Jan. 18	14⅜	—Jan. 12	15⅝	14⅜	15¼
N. Y., Sus. & Western	12	6	9¾	—Jan. 18	8	—Jan. 22	9¾	8	8¼
" preferred	31¼	12	26⅛	—Jan. 18	23⅝	—Jan. 25	26⅛	23¾	24¾
Norfolk & Western	12¾	⅛	11⅛	—Jan. 18	11⅛	—Jan. 18	11⅛	11⅛	11⅛
" preferred	19¾	4⅛	17⅞	—Jan. 20	17⅞	—Jan. 20	17⅞	17⅞	17⅞
North American Co	6⅛	3½	5	—Jan. 18	4½	—Jan. 2	5	4½	4½
Northern Pacific tr. receipts	16⅞	¼	15⅝	—Jan. 30	13	—Jan. 23	15⅝	13	15⅝
" pref tr. receipts	36	10	38¼	—Jan. 30	32½	—Jan. 5	38¼	32½	38⅛
Oregon Railway & Nav	24	10	17⅛	—Jan. 18	15	—Jan. 15	17⅛	15	17⅛
" preferred	40¼	35	44	—Jan. 30	37⅞	—Jan. 8	44	37⅞	44
Oregon Short Line	18½	3½	16	—Jan. 28	14⅛	—Jan. 11	16	14⅛	16
Pacific Mail	31	15¼	26¾	—Jan. 18	24	—Jan. 9	26¾	24	25⅞
Peoria, Dec. & Evansville	3⅞	1¼	2¼	—Jan. 8	2¼	—Jan. 8	2¼	2¼	2¼
Phila. & Reading	31¾	2⅜	28½	—Jan. 18	25⅜	—Jan. 25	28½	25⅜	26¾
Pitts., Cin. Chic. & St. Louis	18¼	11	14	—Jan. 21	12½	—Jan. 11	14	12½	13½
" preferred	59	40¼							
Pitts. & Western, preferred	20⅝	17							
Pullman Palace Car Co	164	138	150¾	—Jan. 18	152	—Jan. 2	150¾	152	158
Rome, Wat. Ogdens' g	118	108	119	—Jan. 18	117	—Jan. 26	119	117	117
St. Louis, Alton & T. H	60½	53							
St. Louis & San Francisco	5⅝	4	5⅝	—Jan. 19	4¾	—Jan. 25	5⅝	4¾	5¼
" 1st preferred	37	34¼	38¼	—Jan. 30	37	—Jan. 29	38¼	37	38¼
" 2d preferred	14¼	12	13¾	—Jan. 19	12¾	—Jan. 27	13¾	13¾	13¼
St. Louis & Southwestern	5¾	2⅞	4¼	—Jan. 18	4¼	—Jan. 6	4¼	4¼	4¼
" preferred	13	6¼	11½	—Jan. 18	10	—Jan. 6	11½	10	11¼
St. Paul & Duluth	27½	15	22½	—Jan. 13	20	—Jan. 4	22½	20	22½
" preferred	91	75							
St. Paul, Minn. & Manitoba	115	105	114	—Jan. 28	114	—Jan. 28	114	114	114
Southern Pacific Co	22¼	14	15¾	—Jan. 18	13½	—Jan. 13	15¾	13½	15½
Southern Railway	11¾	6½	10	—Jan. 16	9⅛	—Jan. 27	10	9⅛	9⅛
" preferred	33¼	15½	29⅞	—Jan. 19	26	—Jan. 4	29⅞	26	29⅝
Tennessee Coal & Iron Co	34¾	13	31	—Jan. 18	25¼	—Jan. 4	31	25¼	30⅝
Texas & Pacific	12	5	10¼	—Jan. 18	8⅝	—Jan. 2	10¼	8⅝	9⅝
Union Pacific trust receipts	12½	3⅞	10	—Jan. 5	6¼	—Jan. 11	10	6¼	7⅛
Union Pac., Denver & Gulf	5½	1½	2¼	—Jan. 6	2	—Jan. 29	2¼	2	2
Wabash R. R	8	4½	7⅛	—Jan. 16	6⅛	—Jan. 4	7⅛	6⅛	6¼
" preferred	19¾	11	17⅛	—Jan. 18	15⅝	—Jan. 4	17⅛	15⅝	16⅝
Western Union	90¼	72¾	86	—Jan. 18	82¾	—Jan. 4	86	82¾	84
Wheeling & Lake Erie	13¼	5¼	6¼	—Jan. 2	2	—Jan. 18	6¼	2	2¼
" preferred	40¾	20⅝	29	—Jan. 5	10	—Jan. 27	29	10	11½
Wisconsin Central	4⅞	1⅝	2¼	—Jan. 6	2¼	—Jan. 6	2¼	2¼	2¼
"Industrial" Stocks:									
American Co. Oil Co	19	8	14¼	—Jan. 16	12¼	—Jan. 4	14¾	12¼	12
" preferred	68⅞	37	56¾	—Jan. 19	54¼	—Jan. 2	56¾	54¼	54¼
American Spirits Mfg Co	14⅞	4½	14¼	—Jan. 19	11⅝	—Jan. 5	14¼	11⅝	14
" preferred	33¼	14¾	32½	—Jan. 19	26	—Jan. 5	32½	26	31⅝
American Sugar Ref. Co	120⅝	95	118½	—Jan. 19	110	—Jan. 5	118½	110	117¾
" preferred	104	92¼	103¾	—Jan. 27	100¼	—Jan. 7	103¾	100¼	103¾
American Tobacco Co	95	51	79¼	—Jan. 14	73¼	—Jan. 25	79¼	73¼	74¼
" preferred	108	95	106½	—Jan. 14	102½	—Jan. 29	106½	102½	102½
General Electric Co	39½	20	35⅞	—Jan. 30	32½	—Jan. 11	35⅞	32½	35⅞
National Lead Co	29¾	16	26⅜	—Jan. 19	23	—Jan. 8	26¾	23	25¾
" preferred	92¾	75	90	—Jan. 16	89½	—Jan. 20	90	89½	90
National Linseed Oil Co	21¼	11½	15	—Jan. 19	13¼	—Jan. 23	15	13¼	13¼
National Starch Manfg. Co	7¾	4¾	5	—Jan. 4	5	—Jan. 4	5	5	5
Standard Rope & Twine Co	12½	8⅛	11¾	—Jan. 19	10⅛	—Jan. 4	11¾	10⅛	11¼
U. S. Leather Co	11⅞	5½	9⅝	—Jan. 19	8½	—Jan. 11	9⅝	8½	9
" preferred	69⅛	41½	64	—Jan. 19	58¼	—Jan. 7	64	58¼	62¼
U. S. Rubber Co	20	14½	25¼	—Jan. 19	22⅛	—Jan. 27	25¼	22⅛	22⅝
" preferred	80	65	76⅞	—Jan. 5	74¼	—Jan. 27	76⅞	74¼	75

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JANUARY SALES. High.	Low.	Total.
Ala. Midland 1st gold 6s	1928	2,800,000	M & N	92	Apr. 13,'95	....	....	.....
Ann Arbor 1st g 4's	1995	7,000,000	Q J	80	Jan. 30,'97	80	74½	190,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	96,338,000	A & O	81¾	Jan. 30,'97	81¾	79½	2,368,000
" adjustment, g. 4's	1995	51,728,000	NOV	49¼	Jan. 30,'97	49¼	43½	2,639,000
" Equip. tr. ser. A. g. 5's	1902	1,500,000	J & J	.....		....	....	.....
Chicago & St. Louis 1st 6's	1915	1,500,000	M & S	.....		....	....	.....
Colorado Mid.Tr.Co.cfs 1st g.6's	1936	2,636,000	J & D	77½	July 29,'92	....	....	.....
" assented		3,714,000	.....	67½	Jan. 30,'97	67¾	65	19,000
Tr.Co.cfs cons.g.4'sst'd gtd	1940	3,054,000	F & A	21	June 6,'96	....	....	.....
" assented		1,812,000	.....	16½	Jan. 30,'97	17	15	107,000
Atlan. av. of Brook'n imp. g. 5's	1934	1,500,000	J & J	82½	Feb. 8,'96	....	....	.....
Atlanta & Danville 1st g. 5's	1950	1,238,000	J & J	.....		....	....	.....
Atlan. & Pac. gtd. 1st g. 4's	1937	18,790,000	J & J	39½	Jan. 7,'97	40	39½	8,000
" 2d W. d. g. g. s. f. 6's	1907	5,500,000	M & S	92	July 23,'90	....	....	.....
" Western div. inc.	1910	10,500,000	A & O	⅛	Jan. 29,'97	1⅛	⅛	295,000
" div. small	1910		A & O	10	Mar. 17,'93	....	....	.....
" Central div. inc.	1922	1,811,000	J & D	4⅛	Aug. 5,'95	....	....	.....
B. & O. 1st 6's (Parkersburg br.)	1919	3,000,000	A & O	111¾	Jan. 8,'97	111¾	111¾	2,000
" 5's, gold	1885-1925	4,936,000	F&A	93½	Jan. 29,'97	93½	92	17,000
" registered			F&A	87	May 11,'96	....	....	.....
" eng. ctfs of deposit		5,044,000	.....	.....		....	....	.....
B. & O. con. mtge. gold 5's	1988	11,988,000	F&A	103	July 2,'96	....	....	.....
" registered			F&A	107½	Mar. 7,'94	....	....	.....
Balti. Belt, 1st g. 5's int. gtd.	1990	6,000,000	M & N	92	Nov. 24,'96	....	....	.....
W. Virginia & Pitts. 1st g. 5's	1990	4,000,000	A & O	111	Dec. 12,'95	....	....	.....
B & O. Southwest'n 1st g. 4½'s	1990	10,667,000	J & J	102	May 29,'96	....	....	.....
" 1st c. g. 4½'s	1993	10,483,000	J & J	99½	Nov. 12,'96	....	....	.....
" 1st inc. g. 5's "A"	2043	8,651,000	NOV	25	Aug. 18,'94	....	....	.....
" "B"	2043	9,655,000	DEC	11	Feb. 8,'96	....	....	.....
B. & O. Sw. Term Co. gtd g 5's	1942	1,200,000	M & N	.....		....	....	.....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	104½	July 1,'92	....	....	.....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	2,500,000	M & S	97½	Dec. 3,'96	....	....	.....
Ak. & Chic. Junc. 1st g. s. g. 5's	1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	.....
" coupons off		.....	.....	.....		....	....	.....
Broadway & 7th av. 1st con. g. 5's	1943	7,650,000	J&D	118	Jan. 29,'97	118	116½	48,000
" registered			J&D	112½	May 29,'95	....	....	.....
Brooklyn City 1st con. 5's	1941	4,373,000	J & J	114	Jan. 20,'97	114	113	9,000
Brooklyn Elevated 1st gold 6s's	1924	3,500,000	A & O	74½	Jan. 15,'97	75	74	38,000
" 2d mtg. g. 5's	1915	1,250,000	J & J	39	Dec. 16,'96	....	....	.....
Union Elevated 1st g. g. 6's	1937	6,148,000	M & N	69	Jan. 29,'97	72½	69	94,000
Seaside & Bkln Bdge 1st g. g. 5's	1942	1,365,000	J & J	80	Mar. 31,'96	....	....	.....
Brooklyn Rapid Transit g. 5's	1945	4,875,000	A & O	78	Jan. 30,'97	79½	78	140,000
Brunswick & Western 1s g. 4's	1938	3,000,000	J & J	74	Sept. 1,'96	....	....	.....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,407,000	M & S	96½	Dec. 23,'96	....	....	.....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	121	Jan. 15,'97	121	121	3,000
" cons. 1st 6's	1922	3,920,000	J & D	118	Jan. 29,'97	118	116¾	24,000
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	121¼	May 26,'96	....	....	.....
Buffalo & Susquehanna 1st g. 5's	1913	1,289,000	A & O	100	Feb. 27,'96	....	....	.....
" registered			A & O	.....		....	....	.....
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	106⅜	Jan. 23,'97	106⅜	105¾	25,000
" con. 1st & col. 1st 5's	1934	6,425,000	A & O	103	Jan. 11,'97	103	103	1,000
" registered			A & O	97	Feb. 9,'93	....	....	.....
Minneap's & St. Louis 1st 7's, g.	1927	150,000	J & D	140	Aug. 24,'95	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JANUARY SALES. High.	Low.	Total.
Ced. Rap Ia. Falls & Nor. 1st 6's	1920	825,000	A & O	102	Dec. 21,'96	....	....	.....
" 1st 5's	1921	1,905,000	A & O	102	July 28,'96	....	....	.....
Canada Southern 1st int. gtd 5's	1908	13,920,000	J & J	110	Jan. 30,'97	110	108	85,000
" 2d mortg. 5's	1913	5,100,000	M & S	107	Jan. 30,'97	107	105	53,000
" registered			M & S	105½	Jan. 30,'97	106	104½	6,000
Col. & Cin. Midla'd. 1st. Ext. 4½'s	1939	2,000,000	J & J	92½	Aug. 31,'92	....	....	.....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	94½	Jan. 22,'97	94¾	92¾	8,000
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	.....		....	....	.....
" registered $1,000 & $5,000			F & A	.....		....	....	.....
" con. g. 5's	1945	16,500,000	M & N	90⅝	Jan. 22,'97	90⅞	90½	46,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	.....		....	....	.....
Central Railroad of New Jersey,								
" 1st consolidated 7's	1899	3,836,000	Q J	107¼	Jan. 28,'97	107¼	106⅝	22,000
" convertible 7's	1902	1,167,000	M & N	116	June 23,'96	....	....	.....
" deb. 6's	1908	466,000	M & N	114	Apr. 2,'95	....	....	.....
" gen. mtg. 5's	1987	41,604,000	J & J	116½	Jan. 28,'97	116½	115½	49,000
" registered			Q J	116½	Jan. 27,'97	117½	115½	37,000
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	104	Jan. 9,'97	104	104	1,000
" mortgage 5's	1912	2,887,000	M & N	104⅜	Jan. 21,'97	104½	104	8,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	115	Jan. 25,'97	115	114½	14,000
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	.....
Central Pacific g 6's	1898	14,185,000	J & J	101	Jan. 27,'97	101	100	53,000
" ext g 6s series A B C D.	1898	5,598,000	J & J	99¾	Jan. 22,'97	99¾	99¾	6,000
" ext g 5's series E	1898	3,210,000	J & J	.....		....	....	.....
" San Joaquin br. g 6's	1900	6,080,000	A & O	102	Jan. 6,'97	102	102	4,000
" gtd. g 5's	1939	11,000,000	A & O	84½	Sept. 16,'96	....	....	.....
" land grant g 5's	1900	2,506,000	A & O	99	Nov. 12,'96	....	....	.....
" Cal. & O. div. ex. g. 7's	1918	4,358,000	J & J	107½	Nov. 27,'95	....	....	.....
Western Pacific bonds 6's	1899	2,735,000	J & J	100½	Jan. 19,'97	100½	100	3,000
North. Ry. (Cal.) 1st g. 6's, gtd.	1907	3,964,000	J & J	101	Aug. 5,'95	....	....	.....
" 50 year m. gg. 5's	1938	4,800,000	A & O	92¼	Oct. 17,'96	....	....	.....
Cent. Wash. Tr. Co. cts. 1st g. 6's	1938	1,497,000	.....	54	Apr. 21,'96	....	....	.....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	.....
Chat., Rom. & Colum's gtg. g. 5's	1937	2,090,000	.....	.....		....	....	.....
Ches. & Ohio pur. money fd.	1898	2,287,000	J & J	103⅜	Jan. 30,'97	103⅜	102¾	25,000
" 6's, g., Series A	1908	2,000,000	A & O	120⅜	Jan. 18,'97	120½	119	20,000
" Mortgage gold 6's	1911	2,000,000	A & O	119½	Jan. 30,'97	119½	118½	32,000
" 1st con. g. 5's	1939	23,553,000	M & N	110	Jan. 30,'97	110	107¾	180,000
" registered			M & N	107	Jan. 4,'97	107	107	4,000
" Gen. m. g. 4½'s	1992	21,790,000	M & S	76	Jan. 30,'97	76¼	73¼	1,296,000
" registered			M & S	85	Dec. 30,'93	....	....	.....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	100⅝	Jan. 30,'97	100¼	97	97,000
" 2d con. g. 4's	1989	1,000,000	J & J	89½	Jan. 29,'97	89½	86	50,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	92½	June 17,'96	....	....	.....
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	98	Dec. 21,'93	....	....	.....
" Elz. Lex. & B. S. g. g. 5's	1902	3,007,000	M & S	100¼	Jan. 25,'97	100¼	100	4,000
Ches. Ohio & S'thwestern m. 6's	1911	6,176,600	F & A	105⅝	Feb. 15,'95	....	....	.....
" 2d mtge. 6's	1911	2,895,000	F & A	48½	Sept. 10,'95	....	....	.....
Ohio Val. g. con. 1st gtd. g. 5's	1938	1,984,000	J & J	110¼	Aug. 22,'93	....	....	.....
Chicago & Alton s'king fund 6's	1903	1,832,000	J & J	113	Nov. 23,'96	....	....	.....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	112¾	Jan. 6,'97	112¾	112¾	5,000
" 2d 7's	1900	300,000	M & N	107½	Oct. 7,'96	....	....	.....
St. Louis, J. & C. 2d gtd 7's	1898	188,000	J & J	104½	Dec. 7,'92	....	....	.....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	547,000	A & O	105½	Oct. 30,'95	....	....	.....
Chicago, Burl. & North. 1st 5's	1926	8,241,000	A & O	104	Dec. 30,'96	....	....	.....
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	116¼	Jan. 29,'97	116¼	115	158,000
" 5's, sinking fund	1901	2,315,000	A & O	104¼	Jan. 13,'97	107	104¼	5,000
" 5's, debentures	1913	9,000,000	M & N	98	Jan. 16,'97	98	97	37,000
" convertible 5's	1903	15,263,900	M & S	101¼	Jan. 29,'97	101¼	100¼	42,000
" (Iowa div.) sink. f'd 5's	1919	2,811,000	A & O	101½	Sept. 21,'96	....	....	.....
" 4's	1919	7,571,000	A & O	98⅜	Jan. 21,'97	98⅜	97	14,000
" Denver div. 4's	1922	6,141,000	F & A	96	Jan. 16,'97	96½	94	12,000
" 4's	1921	3,300,000	M & S	88¼	Nov. 6,'93	....	....	.....
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	.....
" Nebraska extensi'n 4's	1927	26,730,000	M & N	88⅞	Jan. 30,'97	88⅞	87¾	110,000
" registered			M & N	90¾	July 10,'95	....	....	.....
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	119	Jan. 20,'97	120	119	6,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	111¼	Jan. 13,'97	111¼	111¼	5,000
" small bonds	1907		J & D	112	Apr. 2,'96	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int's paid.	LAST SALE. Price.	Date.	JANUARY SALES. High.	Low.	Total.
Chic. & E. Ill. 1st con. 6's, gold	1934	2,653,000	A & O	124½	Jan. 4,'97	124½	124½	1,000
" gen. con. 1st 5's	1937	7,487,000	M & N	99½	Jan. 30,'97	100⅜	99	254,000
" registered			M & N	104¼	Nov. 25,'96	....	....	.....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	100	Jan. 18,'97	100	99	11,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st m. 8's P. D.	1898	3,674,000	F & A	107½	Jan. 14,'97	107½	107½	7,000
" 2d 7 3-10 P. D.	1898	1,106,000	F & A	120⅝	Jan. 15,'97	130¾	128⅜	26,000
" 1st 7's $ gold, R. div.	1902	3,796,500	J&J	129	Jan. 30,'97	129	126	41,000
" 1st 7's £	1902		J&J	120	Feb. 8,'94	....	....	.....
" 1st m. Iowa & M. 7's	1897	1,736,000	J & J	126½	Jan. 26,'97	126½	125½	20,000
" 1st m. Iowa & D. 7's	1899	434,000	J & J	127½	Dec. 2,'96	....	....	.....
" 1st m. C. & M. 7's	1903	2,393,000	J & J	125	Oct. 22,'96	....	....	.....
Chicago Mil. & St. Paul con. 7's	1905	11,298,000	J & J	131	Jan. 30,'97	131	128	31,000
" 1st 7's, Iowa & D. ex.	1908	3,505,000	J & J	132½	Jan. 11,'97	132¼	130	14,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	117⅛	Jan. 25,'97	117⅛	115¼	26,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	109	Jan. 27,'97	110	109	6,000
" 1st So. Min. div. 6's	1910	7,432,000	J & J	117	Jan. 26,'97	118	117	25,000
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	126½	Jan. 21,'97	126½	126	3,000
" 5's	1910	990,000	J & J	108	Jan. 14,'97	108	107½	17,000
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	118½	Dec. 11,'96	....	....	.....
" 1st Chic. & P. W. 5's	1921	25,340,000	J & J	112¾	Jan. 28,'97	112¾	112	94,000
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	110	Jan. 20,'97	110	108½	42,000
" Mineral Point div. 5's	1910	2,840,000	J & J	107	Jan. 25,'97	107	107	2,000
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	106½	July 16,'96	....	....	.....
" Wis. & Min. div. 5's	1921	4,755,000	J & J	110⅝	Jan. 28,'97	111	110	19,000
" terminal 5's	1914	4,748,000	J & J	110½	Jan. 22,'97	111¾	110½	6,000
" Far. & So. 6's assu	1924	1,250,000	J & J	118	Sept.20,'94	....	....	.....
" mtg. con. si'k. f'd 5's	1916	1,680,000	J & J	96	Jan. 7,'96	....	....	.....
" Dakota & Gt. S. 5's	1916	2,856,000	J & J	109	Jan. 29,'97	109	107	8,000
" g. m. g. 4's, series A	1989	19,010,000	J & J	99	Jan. 29,'97	99	98	156,000
" registered		.....	Q J	94½	Dec. 11,'95	....	....	.....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	118	Jan. 15,'97	118	118	1,000
" 1st convt. 6's	1913	5,002,000	J & D	118	Jan. 14,'97	118	118	3,000
Chic. & North Pacific 1st g. 5's	1940	25,523,000	A & O	42	May 12,'96	....	....	.....
" U. S. Trust Co. eng. ctfs.		.....		44	Jan. 30,'97	44	40	713,000
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	141⅝	Jan. 29,'97	141⅝	140	176,000
" coupon gold 7's	1902	12,336,000	J & D	117½	Jan. 28,'97	117⅝	115⅞	44,000
" registered d. gold 7's	1902		J & D	116	Jan. 4,'97	116	116	1,000
" sinking fund 6's	1879-1929	6,011,000	A & O	116	Jan. 15,'97	116	115¼	4,000
" registered			A & O	113	Dec. 23,'96	....	....	.....
" 5's	1879-1929	7,301,000	A & O	109½	Jan. 14,'97	109½	109½	1,000
" registered			A & O	108	Jan. 20,'97	108	108	1,000
" debenture 5's	1933	9,800,000	M & N	112	Jan. 29,'97	112	110⅝	48,000
" registered			M & N	107½	Dec. 16,'96	....	....	.....
" 25 year deben. 5's	1909	6,000,000	M & N	107¼	Jan. 23,'97	107¼	106	32,000
" registered			M & N	104	May 15,'96	....	....	.....
" 30 year deben. 5's	1921	9,800,000	A & O	105½	Dec. 9,'96	....	....	.....
" registered			A & O	107	Nov. 20,'95	....	....	.....
" extension 4's	1886-1926	18,632,000	F A 15	103	Jan. 26,'97	103	101	37,000
" registered			F A 15	100	Nov. 10,'96	....	....	.....
Escanaba & L. Superior 1st 6's	1901	720,000	J & J	107½	Nov. 28,'96	....	....	.....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	.....
Iowa Midland 1st mortg. 8's	1900	1,350,000	A & O	116	July 9,'96	....	....	.....
Chic. & Milwaukee 1st mtg. 7's	1898	1,700,000	J & J	104	Jan. 4,'97	104	104	2,000
Winona & St. Peters 2d 7's	1907	1,562,000	M & N	127	Apr. 17,'96	....	....	.....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	108	Jan. 7,'96	....	....	.....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	108	Nov. 20,'96	....	....	.....
Northern Illinois 1st 5's	1910	1,500,000	M & S	107	Nov. 23,'96	....	....	.....
Mil., Lake Shore & W'n 1st 6's	1921	5,000,000	M & N	132	Jan. 12,'97	132	131½	5,000
" con. deb. 5's	1907	436,000	F & A	106½	Jan. 27,'97	106½	106	15,000
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	115	Jan. 18,'97	115	112½	9,000
" Michigan div. 1st 6's	1924	1,281,000	J & J	127	Dec. 8,'96	....	....	.....
" Ashland div. 1st 6's	1925	1,000,000	M & S	128	Dec. 16,'96	....	....	1,000
" income		500,000	M & N	105	July 28,'96	....	....	.....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	128¼	Jan. 22,'97	128¼	128¼	1,000
" 6's registered	1917		J & J	128½	Jan. 4,'97	128½	128½	12,000
" exten. and collat. 5's	1934	40,391,000	J & J	103	Jan. 30,'97	103	101⅞	713,000
" registered			J & J	101⅜	Jan. 30,'97	101⅞	100½	200,000
" debenture 5's	1921	4,500,000	M & S	96	Jan. 28,'97	96	93	27,000
" registered		.....	M & S	.....		....	....	.....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	88¼	June 12,'96	....	....	.....
" 1st 2½'s	1905	1,200,000	J & J	65	Nov. 18,'96	....	....	.....
" extension 4's		672,000	J & J	84	Oct. 14,'95	....	....	.....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	100	Nov. 25,'96	....	....	.....
" small bond	1923	.....	A & O	103	Apr. 26,'96	....	....	.....

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Chic., St.P., Minn.& Oma.con. 6's.	1930	13,413,000	J & D	129	Jan. 28,'97	129	128	31,000
Chic., St. Paul & Minn. 1st 6's.	1918	3,000,000	M & N	130	Jan. 12,'97	130	130	3,000
North Wisconsin 1st mort. 6's.	1930	800,000	J & J	125	May 4,'88	....	....	.....
St. Paul & Sioux City 1st 6's.	1919	6,070,000	A & O	131	Jan. 27,'97	131	130	32,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's.	1919	1,234,000	M & N	106¼	May 15,'95	....	....	.....
" gen'l mortg. g. 6's.	1932	9,652,686	Q M	117¾	Jan. 20,'97	117¾	116½	12,000
Chic. & West Michigan R'y 5's.	1921	5,753,000	J & D	98½	Mar. 13,'93	....	....	.....
" coupons off.		.....	.....	.....		....	....	.....
Cin., Ham. & Day. con. s'k. f'd 7's.	1905	996,000	A & O	120	July 15,'96	....	....	.....
" 2d g. 4½'s.	1937	2,000,000	J & J	102½	Jan. 6,'97	102½	102	25,000
Cin., Day. & Ir'n 1st gtd. g. 5's.	1941	3,500,000	M & N	108	Dec. 22,'96	....	....	.....
City Sub. R'y, Balto. 1st g. 5's.	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	.....
Clev., Ak'n & Col. eq. and 2d g.6's.	1930	730,000	F & A	.....		....	....	.....
Clev. & Can.Tr.Co.ctfs. 1st 5's for.	1917	2,000,000	.....	74	Jan. 19,'97	75	74	6,000
Clev.,Cin.,Chic.& St.L. gen.m. 4's.	1993	5,000,000	J & D	86	May 25,'95	....	....	.....
" do Cairo div. 1st g. 4's.	1939	5,000,000	J & J	93	Oct. 2,'95	....	....	.....
St. Louis div. 1st col. trust g.4's.	1990	9,750,000	M & N	93	Jan. 20,'97	93½	92¼	21,000
" registered.				90	June 10,'96	....	....	.....
Sp'gfield & Col. div. 1st g. 4's.	1940	1,035,000	M & S	87	Oct. 22,'95	....	....	.....
White W. Val. div. 1st g. 4's.	1940	650,000	J & J	83	Dec. 16,'95	....	....	.....
Cin.,Wab. & Mich. div. 1st g. 4's.	1991	4,000,000	J & J	88	Jan. 15,'97	88	88	4,000
Cin.,Ind., St. L. & Chic. 1st g.4's.	1936	7,790,000	Q F	98	Jan. 27,'97	98	98	14,000
" registered.				95	Nov. 15,'94	....	....	.....
" con. 6's.	1920	738,000	M & N	104	Mar. 29,'93	....	....	.....
Cin.,S'dusky & Clev.con.1st g.5's.	1928	2,571,000	J & J	107	Jan. 15,'97	107	107	1,000
Ind. Bloom. & W., 1st pfd. 7's.	1900	1,000,000	J & J	104½	Jan. 6,'97	104½	104½	2,000
Ohio, Ind. & W., 1st pfd. 5's.	1938	500,000	Q J	.....		....	....	.....
Peoria & Eastern 1st con. 4's.	1940	8,103,000	A & O	74	Jan. 26,'97	75	73	18,000
" income 4's.	1990	4,000,000	A	18	Nov. 23,'96	....	....	.....
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	106½	Dec. 18,'96	....	....	.....
" consol mortg. 7's.	1914	3,991,000	J & D	132	Jan. 22,'97	132	131¾	4,000
" sink. fund 7's.	1914		J & D	119⅝	Nov. 19,'89	....	....	.....
" gen. consol 6's.	1934	3,205,000	J & J	124	Jan. 13,'97	124	123¾	6,000
" registered.			J & J	.....		....	....	.....
Cin., Sp. 1st m. C.,C.,C.&Ind. 7's.	1901	1,000,000	A & O	105	Aug. 18,'96	....	....	.....
Clev.,Lorain & Wheel'g con.1st 5's.	1933	4,300,000	A & O	102	Jan. 5,'97	102	102	1,000
Clev., & Mahoning Val. gold 5's.	1938	2,936,000	J & J	120½	July 21,'96	....	....	.....
" re-istered.			Q J	.....		....	....	.....
Col'bus & Ninth Av. 1st gtd g. 5's.	1963	3,000,000	M&S	117	Jan. 28,'97	117¼	117	26,000
" registered.			M&S	.....		....	....	.....
Col., Hock. Val. & Tol. con. g. 5's.	1931	8,000,000	M & S	77⅛	Jan. 30,'97	88¾	68	471,000
" gen. mort. g. 6's.	1904	2,000,000	J & D	71	Jan. 30,'97	87	63	77,000
" gen. lien g. 4's.	1996	852,000	J & J	.....		....	....	.....
" registered, $5,000.			J & J	.....		....	....	.....
Conn., Passumpsic Riv's 1st g. 4's.	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	.....
Delaware, Lack. & W. mtge 7's.	1907	3,067,000	M & S	128	Dec. 23,'96	....	....	.....
Syracuse, Bing. & N. Y. 1st 7's.	1906	1,966,000	A & O	130	Jan. 4,'95	....	....	.....
Morris & Essex 1st m 7's.	1914	5,000,000	M & N	143	Jan. 27,'97	143	141¼	29,000
" bonds, 7's.	1900	281,000	J & J	109½	Jan. 29,'97	109½	109½	5,000
" 7's.	1871–1901	4,991,000	A & O	134	Sept. 3,'96	....	....	.....
" 1st c. gtd 7's.	1915	12,151,000	J & D	140	Jan. 25,'97	140	140	5,000
" registered.			J & D	136	June 4,'93	....	....	.....
N. Y., Lack. & West'n. 1st 6's.	1921	12,000,000	J & J	134	Dec. 17,'96	....	....	.....
" const. 5's.	1923	5,000,000	F & A	118	Jan. 22,'97	118	118	1,000
Warren 2d 7's.	1900	750,000	A & O	113¾	Nov. 6,'95	....	....	.....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's.	1917	5,000,000	M & S	143¼	Dec. 23,'96	....	....	.....
" reg.	1917		M & S	137	Oct. 7,'96	....	....	.....
Albany & Susq. 1st c. g. 7's.	1906	3,000,000	A & O	117	Aug. 18,'96	....	....	.....
" registered.			A & O	128½	Feb. 12,'94	....	....	.....
" 6's.	1906	7,000,000	A & O	118½	Jan. 27,'97	118½	117	10,000
" registered.			A & O	115	July 29,'96	....	....	.....
Rens. & Saratoga 1st c. 7's.	1921	2,000,000	M & N	146½	Jan. 16,'97	146½	146½	1,000
" 1st r 7's.	1921		M & N	146	Dec. 9,'96	....	....	.....
Denver City Cable Ry. 1st g. 6's.	1908	3,397,000	J & J	97½	Feb. 24,'93	....	....	.....
Denver Con. T'way Co. 1st g. 5's.	1933	730,000	A & O	.....		....	....	.....
Denver Tramway Co. con. g. 6's.	1910	1,219,000	J & J	.....		....	....	.....
Denver Met. Ry. Co. 1st g. g. 6's.	1911	913,000	J & J	.....		....	....	.....
Denver & Rio G. 1st con. g. 4's.	1936	28,465,000	J & J	88½	Jan. 29,'97	89	88	53,000
" 1st mortg. g. 7's.	1900	6,382,500	M & N	111	Jan. 22,'97	111	111	31,000
" impt. m. g. 5's.	1928	8,103,500	J & D	83½	Jan. 18,'97	83½	83½	2,000

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	JANUARY SALES. *High.*	*Low.*	*Total.*
Detroit, Mac. &Ma. ld gt. 3½ S A.	1911	3,080,000	A & O	20½	Jan. 29,'97	20½	18	22,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	67	Mar. 24,'95	....	....	.....
" g. 4s	1995	1,250,000	J & D	.....		....	....	.....
Duluth & Iron Range 1st 5's	1937	6,332,000	A & O	100	Jan. 27,'97	101¾	100	92,000
" registered			A & O	101½	July 23,'89	....	....	.....
" 2d l m 6s	1916	1,000,000	J & J	.....		....	....	.....
Duluth, Red Wing & S'n 1st g. 5's.	1928	500,000	J & J	.....		....	....	.....
Duluth So. Shore & At. gold 5's	1937	4,000,000	J & J	100	Jan. 30.'97	100	99½	87,000
Erie, 1st mortgage ex. 7's	1897	2,482,000	M & S	108½	Jan. 23.'97	109¾	102⅝	33,000
" 2d extended 5's	1919	2,149,000	M & N	118¼	Jan. 14.'97	118¼	118¼	1,000
" 3d extended 4½'s	1923	4,618,000	M & S	112	Jan. 7.'97	112	112	2,000
" 4th extended 5's	1920	2,926,000	A & O	114⅛	Dec. 4,'96	....	....	.....T.
" 5th extended 4's	1928	709,500	J & D	104¾	May 27,'96	....	....	.....
" 1st cons gold 7's	1920	16,800,000	M & S	141	Jan. 25.'97	141	139½	19,000
" 1st cons. fund c. 7's	1920	3,705,977	M & S	142	Nov. 8,'94	....	....	.....
Long Dock consol. 6's	1953	7,500,000	A & O	134	Jan. 12,'97	134	133½	38,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	138¾	Jan. 11,'97	138¾	136¼	9,000
Buffalo & Southwestern m 6's	1908	1,500,000	J&J	.....		....	....	.....
" small			J&J	.....		....	....	.....
Jefferson R. R. 1st gtd g 5's	1909	2,800,000	A & O	106	Jan. 18,'97	106	105	19,000
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	111⅝	Jan. 29,'97	112	110½	206,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's	1922	1,100,000	M&N	.....		....	....	.....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	102	Aug. 31,'96	....	....	.....
Erie R.R. 1st con. g–4s prior bds	1996	30,000,000	J&J	94½	Jan. 30,'97	94½	93½	290,000
" " registered			J&J	.....		....	....	.....
" " gen. lien 3–4s	1996	30,927,000	J&J	64	Jan. 29,'97	65	62¾	261,000
" " registered			J&J	.....		....	....	.....
Eureka Springs R'y 1st 6's, g	1933	500,000	F & A	98	Nov. 12,'96	....	....	.....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	109	Jan. 29,'97	109	109	1,000
" 1st General g 5's	1942	2,096,000	A & O	95	Sept.14,'94	....	....	.....
" Mount Vernon 1st 6's	1923	375,000	A & O	110	May 10,'93	....	....	.....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sep. 15, '91	....	....	.....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	90	Dec. 11,'95	....	....	.....
Flint & Pere Marquette m 6's	1920	3,999,000	A & O	113	Dec. 31,'96	....	....	.....
" 1st con. gold 5's	1939	2,100,000	M & N	84	Dec. 29,'96	....	....	.....
" Port Huron d 1st g 5's	1939	3,083,000	A & O	75	Nov. 30,'96	....	....	.....
Florida Cen. & Penins. 1st g 5's	1918	3,000,000	J & J	103	Aug. 14,'96	....	....	.....
" 1st land grant ex. g 5's	1930	423,000	J & J	.....		....	....	.....
" 1st con. g 5's	1943	4,370,000	J & J	81½	May 14, '96	....	....	.....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	.....		....	....	.....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	.....	57¾	Jan. 30,'97	57¾	53	134,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,888,000	J & J	43	Jan. 29,'97	46½	43	12,000
Gal., Harrisburgh & S. A. 1st 6's.	1910	4,756,000	F & A	105	Apr. 6,'96	....	....	.....
" 2d mortgage 7's	1905	1,000,000	J & D	95	Dec. 12,'96	....	....	.....
" Mex. & Pac. div. 1st 5's	1931	13,418,000	M & N	91	Jan. 30,'97	91¼	89½	102,000
Ga. Car. & N. Ry. 1st gtd. g. 5's.	1927	5,360,000	J & J	76½	Nov. 20,'96	....	....	... .
Housatonic R. con. m. g. 5's	1937	2,888,000	M & N	125½	Jan. 27,'97	125½	125½	8,000
New Haven & Derby con. 5's	1918	575,000	M & N	115¼	Oct. 15, '94	....	....	.....
Houston & Texas Central R. R.								
" 1st Waco & N. 7's	1903	1,140,000	J & J	125	June 29,'92	....	....	.....
" 1st g. 5's (int. gtd)	1937	7,381,000	J & J	107½	Jan. 28.'97	108½	106½	56,000
" Con. g. 6's (int. gtd)	1912	3,455,000	A & O	102½	Jan. 16,'97	102½	102	9,000
" Gen. g. 4's (int. gtd.)	1921	4,297,000	A & O	66	Jan. 23,'97	66	66	20,000
" Deben. 6's p. & int. gtd.	1897	705,000	A & O	94	Dec. 6,'95	....	....	.....
" Deben. 4's p. & int. gtd.	1897	411,000	A & O	94	Jan. 18,'97	94	94	1,000
Illinois Central 1st g. 4's	1951	1,500,000	J&J	110	Aug. 17,'96	....	....	.....
" registered			J&J	102½	Dec. 30,'95	....	....	.....
" gold 3½'s	1951	2,499,000	J&J	104	June 4,'96	....	....	.....
" registered			J&J	97	Dec. 17,'95	....	....	.....
" gold 4's	1952	15,000,000	A & O	103	Jan. 28,'97	103	102	54,000
" gold 4's regist'd			A & O	100	Dec. 23,'96	....	....	.....

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" gold 4's	1953	24,679,000	M & N	100	Jan. 22,'97	100	99½	54,000
" gold 4's registered			M & N	....	....	....	....	.....
" 2-10 g. 4's	1904	4,806,000	J & J	99	June 10,'96	....	....	.....
" 2-10 g. 4's registered			J & J	....	....	....	....	.....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	.....
" registered			M & S	....	....	....	....	.....
" West'n Line 1st g. 4's	1951	3,550,000	F & A	108	Jan. 27,'97	108	108	1,000
" registered			F & A	....	....	....	....	.....
" Cairo Bridge 4's g	1950	3,000,000	J & D	101½	Sept. 10,'95	....	....	.....
" registered			J & D	....	....	....	....	.....
Springfield div. coupon 6's	1898	1,000,000	J & J	100½	Aug. 17,'96	....	....	.....
Middle div. registered 5's	1921	600,000	F & A	116½	Aug. 16,'95	....	....	.....
Chic., St. L. & N. O. T. lien 7's	1897	539,000	M & N	102½	Nov. 27,'96	....	....	.....
" 1st consol. 7's	1897	826,000	M & N	101½	Nov. 18,'96	....	....	.....
" gold 5's	1951	16,526,000	J D 15	119½	Jan. 22,'97	120	118½	18,000
" gold 5's, registered			J D 15	115	Oct. 25,'94	....	....	.....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	98½	June 16,'95	....	....	.....
" registered			J & D	....	....	....	....	.....
Bellev. & So. Ill. gtd g. 4½'s	1897	998,000	A & O	100	Dec. 9,'96	....	....	.....
Cedar Falls & Minn. 1st 7's	1907	1,334,000	J & J	120	Apr. 26,'95	....	....	.....
Ind., Dec. & Spg. 1st 7's tr. rec. ex bonds	1906	1,800,000	A & O	28½	Dec. 4,'96	....	....	.....
" stamped				27	Jan. 4,'97	27	27	4,000
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	100	Jan. 22,'97	100	99	29,000
Indiana, Ill. & Iowa 1st g. 4's	1939	800,000	J & D	84	Dec. 29,'96	....	....	.....
" 1st ext. g. 5's	1943	500,000	M & S	94¼	Nov. 21,'95	....	....	.....
Internat. & Gt. N'n 1st. 6's, gold	1919	7,954,000	M & N	119½	Jan. 28,'97	119½	117¼	88,000
" 2d mortgage 4½-5's	1909	6,583,000	M & S	76	Jan. 21,'97	76	73	30,000
" 3d mortgage 4's	1921	2,701,000	M & S	27	Jan. 29,'97	27	25½	13,000
Iowa Central 1st gold 5's	1938	2,706,500	J & D	96½	Jan. 30,'97	97½	96	48,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's	1929	3,000,000	A & O	....	....	....	....	.....
Kings Co. El. series A. 1st g. 5's	1925	3,177,000	J & J	45	Jan. 27,'97	45	45	28,000
Fulton El. 1st m. g. 5's series A	1929	1,979,000	M & S	60	Mar. 30,'96	....	....	.....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	113½	Jan. 29,'97	115¼	113½	31,000
" 2d mtge. g. 5's	1941	2,600,000	J & J	101	Jan. 15,'97	101	100¾	11,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	104	Jan. 27,'97	104	103	21,000
Lake Shore & Mich. Southern.								
Buffalo & Erie new b. 7's	1898	2,755,000	A & O	103½	Nov. 18,'96	....	....	.....
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	124	Dec. 8,'96	....	....	.....
Lake Shore division b. 7's	1899	1,355,000	A & O	108⅝	Jan. 28,'97	108⅝	107¼	35,000
" con. co. 1st 7's	1900	14,890,000	J&J	111	Jan. 21,'97	111	110⅝	13,000
" con. 1st registered	1900		Q J	110⅝	Jan. 4,'97	110⅝	110⅝	20,000
" con. co. 2d 7's	1903	24,692,000	J&D	119½	Jan. 26,'97	119¼	119	18,000
" con. 2d registered	1903		J&D	119⅛	Jan. 25,'97	119¼	118⅛	10,000
Cin. Sp. 1st gtd L. S. & M. S. 7's	1901	1,000,000	A & O	109	Dec. 21,'96	....	....	.....
Kal., A. & G. R. 1st gtd g. 5's	1938	840,000	J & J	....	....	....	....	.....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	116	Nov. 30,'96	....	....	.....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J & J	93	Jan. 28,'97	101¼	93	22,000
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	111¼	Jan. 27,'97	111½	111	16,000
" registered			A & O	108	Sept. 29,'96	....	....	.....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,280,000	J & J	103	July 27,'95	....	....	.....
" registered	1933		J & J	....	....	....	....	.....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	92	Mar. 24,'96	....	....	.....
" registered			M&S	....	....	....	....	.....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	.....
" " " g. gtd 5's	1914	1,250,000	A & O	99⅝	Jan. 20,'97	99⅝	99	40,000
Lex. Av & Pav. Ferry 1st gtd g 5's	1993	5,000,000	M&S	117⅞	Jan. 29,'97	117⅞	116¾	80,000
" registered			M&S	....	....	....	....	.....
Litchfield Car'n & W. 1st g. 5's	1916	400,000	J & J	95	Feb. 25,'93	....	....	.....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's	1937	3,145,000	.....	25	Apr. 29,'96	....	....	.....
Long Island R. 1st mtg. 7's	1898	1,121,000	M & N	105½	Jan. 14,'97	105½	105½	3,000
Long Island 1st cons. 5's	1931	3,610,000	Q J	113	Jan. 25,'97	117¾	113	38,000
Long Island gen. m. 4's	1938	3,000,000	J & D	83	Jan. 30,'97	87	76½	58,000
" Ferry 1st g. 4½'s	1922	1,500,000	M & S	89	Nov. 30,'96	....	....	.....
" g. 4's	1932	325,000	J & D	....	....	....	....	.....
" deb. g. 5's	1934	1,500,000	J & D	....	....	....	....	.....
N. Y. & Rock'y Beach 1st g. 5's	1927	984,000	M & S	98	Dec. 5,'96	....	....	.....
" 2d m. inc	1927	1,000,000	S	40	Mar. 23,'96	....	....	.....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,228,000	A & O	106¼	Jan. 20,'97	106¼	102½	20,000
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	.....
" 1st 5's	1911	750,000	M & S	107½	July 16,'96	....	....	.....

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Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,075,000	QJAN	103½	June 17,'95	....	....	.....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	200,000	J & J	.....		....	....	.....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	.....		....	....	.....
Louisv'e Ev. & St. Louis								
" 1st con. Tr Co. ct. gold 5's	1939	3,406,000	J & J	34	Jan. 21,'97	34	34	5,000
" Gen. mtg. g. 4's	1943	2,432,000	M & S	9½	Dec. 5,'96	....	....	.....
Louisville & Nashville cons. 7's	1898	7,070,000	A & O	105	Jan. 28,'97	105¼	105	6,000
" Cecilian branch 7's	1907	600,000	M & S	102	Sept. 3,'96	....	....	.....
" N. O. & Mobile 1st 6's	1930	5,000,000	J & J	119½	Jan. 30,'97	119½	116	133,000
" 2d 6's	1930	1,000,000	J & J	101	Jan. 27,'97	101½	99½	15,000
" E., Hend. & N. 1st 6's	1919	2,823,000	J & D	113½	Dec. 18,'96	....	....	.....
" general mort. 6's	1930	10,486,000	J & D	116½	Jan. 29,'97	116½	115½	36,000
" Pensacola div. 6's	1920	580,000	M & S	104½	Jan. 22,'97	108½	106½	18,000
" St. Louis div. 1st 6's	1921	3,500,000	M & S	118	Aug. 28,'96	....	....	.....
" 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	....	.....
" Nash. & Dec. 1st 7's	1900	1,900,000	J & J	111¼	Dec. 23,'96	....	....	.....
" So. N. Ala. sf'g fd. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	.....
" 5% 50 year g. bonds	1937	1,764,000	M & N	100	Jan. 28,'97	100	97	18,000
" Unified gold 4's	1940	14,994,000	J & J	80½	Jan. 21,'97	80⅝	78¼	126,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	.....
" Pen. & At. 1st 6's, g. g.	1921	2,870,000	F & A	100	Jan. 29,'97	100	100	49,000
" collateral trust g. 5's	1931	5,129,000	M & N	101	June 1,'96	....	....	.....
" L. & N. & Mob. & Montg 1st. g. 4½'s	1945	4,000,000	M & S	104	Nov. 10,'96	....	....	.....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	85	Jan. 9,'97	85	85	1,000
South & N. Ala. con. gtd. g. 5's	1936	3,678,000	F & A	93½	Jan. 26,'97	94½	92½	82,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	90	Jan. 24,'97	90	88	6,000
L. & N. Louv. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	107	Jan. 25,'97	107	100	13,000
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	.....		....	....	.....
Louisv'e, New Alb. & Chic. 1s 6's	1910	3,000,000	J & J	112	Jan. 27,'97	112	111	13,000
" eng. Tr. Co. ctf. cons. g. 6's	1916	4,421,000	A & O	85	Jan. 28,'97	85	82	12,000
" eng. Tr. Co. ctf. gen. g. 5's	1940	2,600,000	M & N	40	Dec. 9,'96	....	....	.....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	100⅝	Sept. 9,'92	....	....	.....
Manhattan Railway Con. 4's	1990	24,783,000	A & O	95	Jan 29,'97	95	93	60,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	.....		....	....	.....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	.....		....	....	.....
Memphis & Charlestown 6's, g.	1924	1,000,000	J & J	58	Jan. 7,'95	....	....	.....
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	117¾	Jan. 29,'97	117½	116⅝	37,000
" 2d 6's	1899	4,000,000	M & N	106	Jan. 29,'97	106	105	38,000
Mexican Central.								
" con. mtge. 4's	1911	58,903,000	J & J	68¼	Jan. 22,'97	68¼	68¼	10,000
" 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 20,'96	....	....	.....
" 2d 3's	1939	11,724,000	JULY	9	Jan. 30,'96	....	....	.....
Mexican International 1st g. 4's	1932	14,000,000	M & S	71¾	Jan. 29,'97	73	71	159,000
Mexican Nat. 1st gold 6's	1927	11,532,000	J & D	90	Mar. 6,'95	....	....	.....
" 2d inc. 6's "A"	1917	12,265,000	M & S	42⅝	Nov. 12,'96	....	....	.....
" coup. stamped	.....	.....	.....	.....		....	....	.....
" 2d inc. 6's "B"	1917	12,265,000	A	10	Jan. 15,'97	10	10	35,000
Mexican Northern 1st g. 6's	1910	1,383,000	J & D	100	Jan. 30,'97	100	95	3,000
" registered			J & D	.....		....	....	.....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	116	Jan. 25,'97	116⅛	116⅛	20,000
" 1st con. 5's	1902	2,000,000	M & N	108	Dec. 31,'96	....	....	.....
" 6's	1909	1,500,000	M & S	118	May 23,'96	....	....	.....
" coup. 5's	1931	3,576,000	M & S	111½	July 24,'96	....	....	.....
" reg. 5's	1931		Q M	115	Apr. 29,'96	....	....	.....
" mort. 4's	1940	2,600,000	J & J	105	July 30,'96	....	....	.....
" mtge. 4's reg			J & J	102	Jan. 20,'96	....	....	.....
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D	.....		....	....	.....
Mil. Elec. R. & Light con. 30yr. g. 5's	1926	5,500,000	F & A	.....		....	....	.....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	140	Jan. 21,'97	140	137½	6,000
" 1st con. g. 5's	1934	5,000,000	M & N	103	Jan. 30,'97	103	100	102,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	120	Jan. 9,'97	120	120	2,000
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96	....	....	.....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121	Dec. 14,'96	....	....	.....
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	.....
" stamped 4's pay. of int. gtd.				.....		....	....	.....

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Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,280,000	J & J	94	Apl. 2,'95	....	....	.....
" stamped pay. of int. gtd.				89¾	June 18,'91	....	....	.....
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	6,710,000	J & J	.....		....	....	.....
" stamped pay. of int. gtd.				.....		....	....	.....
Minn. St. R'y 1st con. g. 5's	1919	4,050,000	J & J	97	Dec. 18,'95	....	....	.....
Missouri, K. & T. 1st mtge g. 4's.	1990	39,774,000	J & D	84¼	Jan. 31,'97	84½	82	311,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	63	Jan. 30,'97	63	59¾	875,000
" 1st ext gold 5's	1944	998,000	M & N	80	Jan. 30,'96	....	....	.....
" of Texas 1st gtd g. 5's	1942	2,685,000	M & S	79	Jan. 30,'97	79	74	49,000
" Kan. C. & P. 1st g. 4's.	1990	2,500,000	F & A	62	Oct. 30,'96	....	....	.....
" Dal. & Waco 1st g.g. 5's	1940	1,340,000	M & N	77	Jan. 20,'97	77	77	1,000
Booneville Bdg. Co. gtd. 7's	1906	599,000	M & N	.....		....	....	.....
Mo. Kan. & East'n 1st gtd. g. 5's.	1942	4,000,000	A & O	94½	Jan. 28,'97	95¾	92	115,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	87½	Jan. 22,'97	87½	86	8,000
" 3d mortgage 7's	1906	3,828,000	M & N	105	Jan. 16,'97	105	105	10,000
" trusts gold 5's	1917	14,376,000	M & S	70	Aug. 14,'96	....	....	.....
" registered			M & S	.....		....	....	.....
" 1st collateral gold 5's	1920	7,000,000	F & A	70	Jan. 18,'97	70	65	10,000
" registered		.....	F & A	.....		....	....	.....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	103	Jan. 21,'97	103	100½	14,000
" 2d extended g. 5's	1938	2,573,000	F & A	103¼	Jan. 28,'97	103¼	102⅛	20,000
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	.....		....	....	.....
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	.....		....	....	.....
St. L. & I'rn. Mount. 1st ex. 5's.	1897	4,000,000	F & A	103⅛	Jan. 20,'97	103⅛	102⅛	56,000
St. Louis & I'rn Mount. 2d 7's.	1897	6,000,000	M & N	102⅛	Jan. 20,'97	102⅛	100½	45,000
" Ark'nsas b'nch ext 5's	1895	2,500,000	J & D	100	Oct. 14,'96	....	....	.....
" Cario, Ark. & T. 1st 7's	1897	1,450,000	J & D	98	Jan. 19,'97	98	98	6,000
" g. con. R.R. & l. gr. 5's	1931	18,345,000	A & O	74	Dec. 24,'96	....	....	.....
" stamped gtd gold 5's.	1931	6,945,000	A & O	76½	Jan. 30,'97	76½	73½	181,000
Mob. & Birm., prior lien, g. 5's.	1945	374,000	J & J	.....		....	....	.....
" small		226,000	J & J	.....		....	....	.....
" inc. g. 4's	1945	700,000	J & J	.....		....	....	.....
" small		500,000	.....	.....		....	....	.....
Mobile & Ohio new mort. g. 6's.	1927	7,000,000	J & J	118	Jan. 25,'97	118	117	39,000
" 1st entension 6's	1927	974,000	J & D	112	May 1,'96	....	....	.....
" gen. mortgage 4's	1938	9,470,500	Q J	68	Jan. 29,'97	68	66¾	129,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	86	Dec. 17,'95	....	....	.....
Morgan's La. & Texas 1st g. 6's.	1920	1,494,000	J & J	111	July 21,'96	....	....	.....
" 1st 7's	1918	5,000,000	A & O	128	July 23,'95	....	....	.....
Nashville, Chat. & St. L. 1st 7's.	1913	6,300,000	J & J	128½	Jan. 29,'97	128½	127½	51,000
" 2d 6's	1901	1,000,000	J & J	107¾	Apr. 27,'95	....	....	.....
" 1st cons. g. 5's	1928	5,094,000	A & O	101	Jan. 30,'97	101½	100	26,000
" 1st 6's T. & Pb	1917	300,000	J & J	.....		....	....	.....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	108	Mar. 24,'96	....	....	.....
" 1st g.6's Jasper Branch.	1923	371,000	J & J	.....		....	....	.....
O. & N. East. prior lien g. 6's.	1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	.....
N. Y. Cent. & Hud. R. 1st c. 7's.	1903	30,000,000	J & J	118⅝	Jan. 30,'97	118⅝	117¼	47,000
" 1st registered	1903		J & J	117¼	Jan. 19,'97	118½	117	75,000
" debenture 5's	1904	10,000,000	M & S	107⅜	Jan. 27,'96	107½	106⅛	58,000
" debenture 5's reg.			M & S	107¼	Jan. 30,'97	107¼	106½	23,000
" reg. deben. 5's	1889-1904	1,000,000	M & S	104	Nov. 6,'96	....	....	.....
" debenture g. 4's	1905	15,000,000	J & D	102	Dec. 23,'96	....	....	.....
" registered			J & D	101¼	Jan. 13,'97	101¼	101¼	10,000
" deb. cert. ext. g. 4's	1905	6,450,000	M & N	102⅛	Jan. 26,'97	103	101⅞	15,000
" registered			M & N	100¾	May 12,'96	....	....	.....
Harlem 1st mortgage 7's c	1900	12,000,000	M & N	111¾	Jan. 21,'97	111¾	111¼	10,000
" 7's registered	1900		M & N	111¾	Jan. 16,'97	111¾	111¾	40,000
N. Jersey Junc. R. R. g. 1st 4's.	1986	1,650,000	F & A	100	Nov. 25,'96	....	....	.....
" reg. certificates			F & A	.....		....	....	.....
West Shore 1st guaranteed 4's		50,000,000	J & J	107	Jan. 30,'97	107	105	250,000
" registered			J & J	105½	Jan. 30,'97	105½	104	187,000
Beech Creek 1st. g. gtd. 4's	1936	5,000,000	J & J	106	Jan. 26,'97	106	103	11,000
" registered			J & J	105½	June 12,'96	....	....	.....
" 2d gtd. 5's	1936	500,000	J & J	.....		....	....	.....
" registered		.....	J & J	.....		....	....	.....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A.	1940	770,000	J & J	.....		....	....	.....
" small bonds series B		33,100	J & J	.....		....	....	.....
Gouv. & Oswega. 1st gtd g. 5's.	1942	300,000	J & D	.....		....	....	.....

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R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	119½	Jan. 30,'97	119¾	117½	35,000
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & C	.....		....	....	.....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	.....		....	....	.....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	110	Oct. 16,'94	....	....	.....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	108	Dec. 4,'95	....	....	.....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	100	Mar. 14,'94	....	....	.....
Carthage & Adiron 1st gtd g. 4's1981	1,100,000	J & D	.....		....	....	.....
N. Y. & Putnam 1st gtd g. 4's. .1993	4,000,000	A & O	103	May 22,'96	....	....	.....
N.Y., Chic. & St. Louis 1st g. 4's.1937	19,425,000	A & O	105	Jan. 29,'97	106	103¾	163,000
" registered.....		A & O	103¾	Dec. 30,'96	....	....	.....
N. Y. & New England 1st 7's.....1905	6,000,000	J & J	119½	Jan. 15,'97	119½	119½	11,000
" 1st 6's..... 1905	4,000,000	J & J	114	Jan. 18,'97	114	114	8,000
N. Y., N. Haven & H. 1st reg. 4's.1903	2,000,000	J & D	106	Dec. 4,'94	....	....	.....
" con. deb. receipts.....$1,000	15,007,500	A & O	137½	Jan. 28,'97	137½	135	98,000
" small certifs.....$100	1,490,000	.....	130½	May 29,'96	....	....	.....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	119	Jan. 25,'97	119	118½	11,000
N.Y.,Ontario & W'n con. 1st g. 5's1939	5,800,000	J & D	108⅞	Jan. 28,'97	108⅞	108¾	56,000
" Refunding 1st g. 4's.....1992	8,125,000	M & S	92	Jan. 30,'97	92	88¾	117,000
" Registered.....$5,000 only.	.....	M & S	83⅜	Aug. 25,'92	....	....	.....
N. Y., Sus. & W. 1st refunded 5's.1937	3,750,000	J & J	102½	Jan. 29,'97	103½	100	79,000
" 2d mortg. 4½'s.....1937	636,000	F & A	68	Sept.30,'96	....	....	.....
" gen. mtg. g. 5's.....1940	2,300,000	F & A	73	Jan. 29,'97	74	73	88,000
" term. 1st mtg. g. 5's...1843	2,000,000	M & N	106	Jan. 23,'97	106	106	2,000
" registered.....$5,000		M & N	.....		....	....	.....
Wilkesb. & East. 1st gtd g. 5's..1942	3,000,000	J & D	87½	Jan. 20,'97	89	87½	7,000
Midland R. of N. Jersey 1st 6's.1910	3,500,000	A & O	119½	Jan. 30,'97	119½	117	2,000
N.Y., Texas & Mexico g. 1st 4's..1912	1,442,500	A & O	.....		....	....	.....
N.P. 1st m.R.R.&L.G.S.F.g.c.6's..1921	15,306,000	J & J	115	Jan. 27,'97	115	113	87,000
" registered.....		J & J	114⅞	Jan. 28,'97	114⅞	113⅜	40,000
" g.3d l gt s f g 6's Tr.Co.c.ass.	11,408,000	.....	82	Jan. 30,'97	82	77½	293,000
" l'nd gt con g 5's Tr.Co.c.ass.	44,900,000	.....	59½	Jan. 30,'97	59¼	54⅝	569,000
Spok.&Pal.eng.cfs. 1st si.f.g.6's.1936	1,766,000	M & N	36	Jan. 21,'97	37	35	32,000
St. Paul & N. Pacific gen 6's....1923	7,985,000	F & A	124½	Jan. 6,'97	124½	124½	7,000
" registered certificates....		Q F	122⅜	May 18,'96	....	....	.....
Helena & Red M'tain 1st g. 6's..1937	400,000	M & S	100	Dec. 30,'91	....	....	.....
Dul.& Man. 1st g. 6's, en Tr. Co. ctfs							
" 10 p c purchase price paid	1,619,000	J & J	81	Jan. 28,'87	81½	80¾	70,000
" Dak. di. 1st s. f'd g. 6's,							
" Tr. Co. ctfs, stamped.	1,418,000	.....	80⅝	Dec. 31,'96	....	....	.....
N. Pacific Term. Co. 1st g. 6's..1933	4,090,000	J & J	106½	Jan. 29,'97	106½	104½	53,000
N.P.&Mon.J.P.M.&Co.cf.1 g.6's.1938	5,256,000	M & S	45	Jan. 30,'97	45	41½	200,000
Cœur d'Alene 1st gold 6's.....1916	360,000	A & O	104	May 5,'92	....	....	.....
" gen. 1st g. 6's.....1938	878,000	M & S	102	Jan. 2,'92	....	....	.....
N. P. Ry prior ln reg.&ld.gt.g.4's.1997	73,816,500	Q J	87	Jan. 30,'97	87½	85½	1,716,000
" registered.....		Q J	.....		....	....	.....
" gen. lien g. 3's.....2047	56,000,000	Q F	54¾	Jan. 30,'97	55	51⅝	3,428,000
Norfolk & Southern 1st g. 5's....1941	750,000	M & N	103	Nov. 16,'96	....	....	.....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	117	Jan. 13,'97	117	117	1,000
" New River 1st 6's.....1932	2,000,000	A & O	106¾	Oct. 20,'96	....	....	.....
" imp'ment and ext. 6's...1934	5,000,000	F & A	97	Feb. 19,'94	....	....	.....
" coupons off.....	.....	.....	.....		....	....	.....
" Tr.Co.ctfs adjtmnt mtg 7's.....1924	1,468,000	Q M	78	Dec. 21,'96	....	....	.....
" Tr. Co. ctfs eqpmnt g.5's....	4,066,000	.....	82	Apr. 24,'96	....	....	.....
" Tr. Co. ctfs gold 5's.....1990	8,875,000	J & J	63	Jan. 7,'97	63	63	2,000
" Tr.Co. ctfs Nos. above 10,000	3,200,000	J & J	64	Dec. 17,'96	....	....	.....
" Tr.Co.ctfs Clinch V.div.g.5's	2,475,000	.....	55	Feb. 7,'96	....	....	.....
" Tr. Co. ctfs Md. & W. div. 1st g. 5's.....1941	6,809,500	J & J	67	Dec. 14,'96	....	....	.....
" Sci'o Val & N.E. 1st g.4's,1989	5,000,000	J & N	83	Jan. 27,'97	83¾	81¾	30,000
" C. C. & T. 1st g. t. g g 5's1922	600,000	J & J	.....		....	....	.....
Ogdb'g & L. Chapl. 1st con. 6's...1920	3,500,000	A & O	94	Apr. 13,'96	....	....	.....

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Ogdensburg & Lake Chapl. inc.	1920	800,000	O	.....		....	....	.....
Ogdensburg & L. Chapl. inc. small		200,000	O	82	Feb. 26,'87	....	....	.....
Ohio & Miss. con. skg. fund 7's	1898	3,435,000	J & J	105	Dec. 23,'96	....	....	.....
" consolidated 7's	1898	3,066,000	J & J	102⅝	Jan. 29,'97	102⅝	102¼	4,000
" 2d consolidated 7's	1911	2,952,000	A & O	115	Jan. 13,'97	115	115	5,000
" 1st Springf'd d. 7's	1905	1,984,000	M & N	98	Dec. 15,'96	....	....	.....
" 1st general 5's	1932	405,000	J & D	98	Apr. 2,'92	....	....	.....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	101	Dec. 9,'96	....	....	.....
" gen. mortg. g 6's	1937	2,428,000	A & O	85	Dec. 16,'96	....	....	.....
Ohio Southern 1st mortg. 6's	1921	3,924,000	J & D	85½	Jan. 30,'97	90	85	177,000
" gen. mortg. g 4's	1921	1,543,000	M & N	17	Dec. 8,'96	....	....	.....
" gen. eng. Trust Co. certs.		1,255,000	.....	15	Jan. 16,'97	15	14	24,000
Omaha & St. Lo. Tr Co. cts. 1st 4's	1937	2,717,000	.....	50	Jan. 30,'97	50	49½	16,000
Oregon & California 1st g 5's	1927	18,842,000	J & J	71¼	Sept.17,'96	....	....	.....
Oregon Improvement Co. 1st 6's	1910	743,000	J & D	90	Jan. 22,'97	90¼	89	4,000
" eng.Tr. Co. ctfs. of dep.		3,328,000	.....	85½	Jan. 16,'97	86	85½	7,000
" con. mortg. g 5's	1939	2,911,000	A & O	18	Dec. 22,'96	....	....	.....
" Trust Co. certificates		3,638,000	.....	16½	Jan. 13,'97	18	16½	16,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	4,900,000	J & J	111⅛	Jan. 27,'97	111½	110	85,000
Oregon R. R. & Nav. Co. con. g 4's	1946	15,174,000	J & D	82⅝	Jan. 30,'97	83	80	573,000
Paducah, Tenn. & Ala. 1st 5's	1920	.....	.....	.....		....	....	.....
" Issue of 1890		1,815,000	J & J	.....		....	....	.....
" Issue of 1892		617,000	J & J	.....		....	....	.....
Panama s. f. subsidy g 6's	1910	1,846,000	M & N	101½	Dec. 21,'91	....	....	.....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	110½	Jan. 25,'97	111½	109¾	17,000
" reg	1921		J & J	109½	Jan. 30,'97	109½	109½	20,000
Pitts., C. C. & St. Louis con. g 4½'s								
" Series A	1940	10,000,000	A & O	109	Jan. 27,'97	109	108	40,000
" Series B	1942	10,000,000	A & O	108¾	Jan. 28,'97	108¾	108¼	18,000
" Series C	1942	2,000,000	M & N	105	Jan. 16,'97	105	105	1,000
" Series D gtd. 4's	1945	4,863,000	M & N	101	Sept.19,'96	....	....	.....
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	111	July 14,'96	....	....	.....
" 1st reg. 7's	1900		F & A	.....		....	....	.....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,917,000	J & J	139	Jan. 29,'97	139	135	12,000
" 2d 7's	1912	2,546,000	J & J	136½	Jan. 28,'97	136½	136	7,000
" 3d 7's	1912	2,000,000	A & O	126	Aug.26,'95	....	....	.....
Chic., St. Louis, & P. 1st c. 5's	1932	1,506,000	A & O	115	Jan. 4,'97	115	115	1,000
" registered		.....	A & O	110	May 3,'92	....	....	.....
Cleve. & Pitts. con. s. fund 7's	1900	1,505,000	M & N	112	Dec. 8,'96	....	....	.....
" Series A	1942	3,000,000	J & J	113½	Apr. 18,'95	....	....	.....
" 4½ Series B	1942	1,561,000	A & O	.....		....	....	.....
St. Louis, V. & T. H. 2d 7's	1898	1,000,000	M & N	102	Apr. 23,'96	....	....	.....
" 2d gtd. 7's	1898	1,600,000	M & N	100	Nov. 25,'96	....	....	.....
G. R. & Ind. Ex. 1st gtd. g 4½ g	1941	3,280,000	J & J	107	May 18,'96	....	....	.....
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	.....		....	....	.....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	.....		....	....	.....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	.....	108	June 25,'95	....	....	.....
con. sterling gold 6 per cent	1905	22,762,000	J & D	.....		....	....	.....
con. currency, 6's registered	1905	4,718,000	Q M 15	.....		....	....	.....
con. gold 5 per cent	1919	4,998,000	M & S	.....		....	....	.....
" registered			Q Mch	.....		....	....	.....
con. gold 4 per cent	1943	3,000,000	M & N	.....		....	....	.....
con. Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	.....		....	....	.....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	112	Dec. 1,'96	....	....	.....
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A	.....		....	....	.....
Peoria, Dec. & Evansville 1st 6's	1920	1,287,000	J & J	103½	Jan. 28,'97	103½	100	15,000
" Evansville div. 1st 6's	1920	1,470,000	M & S	104	Jan. 28,'97	104	101	28,000
" Tr. Co. ctfs. 2d mort 5's	1926	1,778,000	M & N	27	Jan. 21,'97	27½	27	7,000
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	114	Jan. 21,'97	114	114	1,000
" 2d m 4½'s	1921	1,499,000	M & N	75½	Jan. 21,'97	75½	75½	1,000

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Phil. & Read. gen. g 4's Tr. Co. ctf's. assented		46,121,000	.....	81⅛	Jan. 30,'97	81⅞	80	1,595,000
" registered		.....	.....	81	Jan. 22,'97	81	81	1,000
" 1st pref. inc. Tr. Co. certfs. all instal. pd		23,663,000	.....	47	Jan. 30,'97	48	45½	695,000
" 2d pref. inc. Tr. Co. certfs. all instal. pd		15,810,000	.....	34¼	Jan. 26,'97	36⅜	34¼	269,000
" 3d pref. inc	1958			13½	Feb. 7,'96	....	....	.....
" 3d pr. in. con	1958	21,634,462	F	4¼	Oct. 24,'96	....	....	.....
" Tr. Co. ctfs all instal. pd				32¼	Jan. 27,'97	34¼	32	341,000
Pine Creek Railway 6's	1932	3,500,000	J & D	123½	Oct. 26,'93	....	....	.....
Pittsburg, Clev. & Toledo 1st 6's	1922	2,400,000	A & O	108½	Apr. 5,'93	....	....	.....
Pittsburg, Junction 1st 6's	1922	1,440,000	J & J	124	Mar. 12,'96	....	....	.....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112	Mar. 25,'93	....	....	.....
Pittsburg, McK'port & Y. 1st 6's	1932	2,250,000	J & J	117	May 31,'89	....	....	.....
" 2d g. 6's	1934	900,000	J & J	.....		....	....	.....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	.....		....	....	.....
Pittsburg, Pains. & Fpt. 1st g. 5's	1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	.....
Pitts., Shenn'go & L. E. 1st g. 5's	1940	3,000,000	A & O	99½	Jan. 30,'97	100	95	171,000
" 1st cons. 5's	1943	786,000	J & J	83½	June 5,'96	....	....	.....
Pittsburg & West'n 1st gold 4's	1917	9,700,000	J & J	74	Jan. 20,'97	74⅛	74	39,000
" Mort. g. 5's	1891-1941	3,500,000	M & N	79⅞	Sept. 9,'95	....	....	.....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	.....		....	....	.....
Rio Grande West'n 1st g. 4's	1939	15,200,000	J & J	72½	Jan. 26,'97	74	72½	143,000
Rio Grande Junc'n 1st gtd. g. 5's	1939	1,850,000	J & D	87	Dec. 4,'96	....	....	.....
Rio Grande Southern 1st g. 3-4	1940	4,510,000	J & J	63½	Jan. 15,'97	63½	63½	2,000
Salt Lake City 1st g. sink fu'd 6's	1913	297,000	J & J	.....		....	....	.....
St. Joseph & Grand Island 1st 6's	1925	553,000	M & N	48	Dec. 31,'96	....	....	.....
" Cent. Tst Co. ctfs of deposit		6,447,000	.....	49	Jan. 20,'97	49½	47½	80,000
St. Joseph & Grand Is'd 2d inc.	1925	1,680,000	J & J	4¼	Dec. 11,'95	....	....	.....
" Coupons off		.....	.....	2	Dec. 10,'96	....	....	.....
Kansas C'y & Omaha 1st g. 5's	1927	2,940,000	J & J	37½	Oct. 16,'95	....	....	.....
St. Louis, A. & T. H. 1st 2T. g. 5's	1914		J & D	104	Dec. 31,'96	....	....	.....
" registered		2,200,000	J & D	.....		....	....	.....
Belleville & Carodt 1st 6's	1923	485,000	J & D	115	June 22,'96	....	....	.....
Chic., St. L. & Pad 1st gd. g. 5's	1917	1,000,000	M & S	102	Dec. 22,'96	....	....	.....
St. Louis, South. 1st gtd. g. 4's	1931	550,000	M & S	70½	May 28,'96	....	....	.....
" 2d inc. 5's	1931	126,000	M & S	72½	Nov. 25,'91	....	....	.....
" 1st con. 5's	1939	390,000	M & S	.....		....	....	.....
Carbond'e & Shawt'n 1st g. 4's	1932	250,000	M & S	.....		....	....	.....
St. Louis & San F. 2d 6's, Class A	1906	500,000	M & N	114	Jan. 28,'97	114	112	7,000
" 2d g. 6's, Class B	1906	2,766,500	M & N	114	Jan. 28,'97	114	112	23,000
" 2d g. 6's, Class C	1906	2,400,000	M & N	113½	Jan. 28,'97	113½	112¾	9,000
" 1st g. 6's P. C. & O	1919	1,041,000	F & A	118	May 23,'92	....	....	.....
" gen. g. 6's	1931	7,807,000	J & J	111½	Jan. 30,'97	111½	108½	119,000
" gen. g. 5's	1931	12,293,000	J & J	98	Jan. 30,'97	98	94½	164,000
" 1st Trust g. 5's	1987	1,099,000	A & O	90	Jan. 15,'97	90	87½	17,000
" Trust Co. cefs for Cons. 4's all installments paid		1,450,700	A & O	63	Jan. 15,'97	63	62½	41,000
Ft. Smith & Van B. Bdg. 1st 6's	1910	335,000	A & O	104	Oct. 15,'96	....	....	.....
St. Louis, Kan. & So. W. 1st 6's	1916	732,000	M & S	100	Jan. 19,'95	....	....	.....
Kansas, Midland 1st g. 4's	1937	1,608,000	J & D	.....		....	....	.....
St. Louis & San F. R. R. g. 4's	1906	6,388,000	J & D	64⅝	Jan. 30,'97	64⅝	63¼	92,000
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	69½	Jan. 22,'97	70	69	47,000
" 2d g. 4's inc. Bd. ctfs.	1989	8,000,000	J & J	27¼	Jan. 30,'97	28	25½	54,000
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J&J15	90	Aug. 8,'96	....	....	.....
" gtd. gold 5's	1937	1,138,000	J & J	90	Mar. 20,'96	....	....	.....
St. Paul & Duluth 1st 5's	1913	1,000,000	F & A	114	Aug. 24,'94	....	....	.....
" 2d 5's	1917	2,000,000	A & O	103½	Jan. 5,'97	103½	103½	1,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JANUARY SALES. High.	Low.	Total.
St. Paul, Minn. & Manito'a 1st 7's,	1909	357,000	J & J	105½	Jan. 18,'97	105½	105½	1,000
" small			J & J	106	July 29,'84	....	....	.....
" 2d 6's	1909	8,000,000	A & O	119	Jan. 18,'97	119	118¾	17,000
" Dakota ext'n 6's	1910	5,676,000	M & N	119	Jan. 22,'97	119	116¾	12,000
" 1st con. 6's	1933	13,344,000	J & J	124	Jan. 27,'97	124	123	14,000
" 1st con. 6's, registered			J & J	120	Aug.19,'95	....	....	.....
" 1st c. 6's, red'd to 4½'s		20,323,000	J & J	103⅛	Jan. 30,'97	103⅛	102½	120,000
" 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	.....
" Mont. ext'n 1st g. 4's	1937	7,805,000	J & D	90	Jan. 28,'97	90	87¾	16,000
" registered			J & D	86	Jan. 29,'97	86	85	10,000
Minneapolis Union 1st 6's	1922	2,150,000	J & J	124	July 31,'96	....	....	.....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	114½	Jan. 29,'97	115	114½	13,000
" 1st 6's, registered			J & J	.....		....	....	.....
" 1st g. g. 5's	1937	2,700,000	J & J	103	Dec. 18,'96	....	....	.....
" registered			J & J	.....		....	....	.....
Eastern Minn. 1st d. 1st g. 5's	1908	4,700,000	A & O	104¾	Nov. 28,'96	....	....	.....
" registered			A & O	.....		....	....	.....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	106½	Jan. 9,'97	106½	106½	5,000
" registered			J & J	.....		....	....	.....
San Ant. & Ara. Pass 1st g. g. 4's	1943	18,886,000	J & J	57	Jan. 30,'97	57	54⅞	267,000
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,003	J & J	100	Mar. 17,'96	....	....	.....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	114	July 24,'95	....	....	.....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	98	Apr. 18,'96	....	....	.....
Seat L.S.&.E.Tr.Co.cts.1st gtg.6's	1931	4,991,000	F & A	42½	Nov. 11,'96	....	....	.....
" assessment paid			F & A	43½	Apr. 28,'96	....	....	.....
Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	105	Sept. 4,'86	....	....	.....
South Caro'a & Georgia 1st g. 5's	1919	5,250,000	M & N	93½	Dec. 11,'96	....	....	.....
South'n Pac. of Ariz. 1st 6's	1909–1910	10,000,000	J & J	91	Jan. 30,'97	94¼	91	49,000
South. Pac. of Cal. 1st 6's	1905–12	30,677,500	A & O	108	Jan. 11,'97	108	108	2,000
" g 5's	1888–1938	652,000	A & O	85½	May 19,'94	....	....	.....
" 1st con. gtd. g 5's	1937	18,402,000	M & N	86¾	Jan. 29,'97	86¼	85¼	91,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	83½	Jan. 28,'97	83¾	82	133,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	.....		....	....	.....
So. Pacific of N. Mex. c. 1st 6's	1911	4,180,000	J & J	104⅜	Jan. 29,'97	104⅞	102	122,000
Southern Railway 1st con. g 5's	1994	25,839,000	J & J	90½	Jan. 30,'97	91	89	568,000
" registered			J & J	.....		....	....	.....
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	89¾	Jan. 18,'97	89¾	89	14,000
" registered			M & S	.....		....	....	.....
Alabama Central, 1st 6's	1918	1,000,000	J & J	109	Oct. 27,'96	....	....	.....
Atl. & Char. Air Line, 1st 7's	1897	500,000	A & O	121¾	May 25,'92	....	....	.....
" income	1900	750,000	A & O	104	May 24,'95	....	....	.....
Col. & Greenville, 1st 5–6's	1916	2,000,000	J & J	113	Nov. 9,'96	....	....	.....
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	108½	Jan. 30,'97	108½	107¼	34,000
" divisional g 5's	1930	3,106,000	J & J	112	Jan. 27,'97	112	112	5,000
" con. 1st g 5's	1956	12,770,000	M & N	108	Jan. 29,'97	108¾	107	138,000
Ga. Pacific Ry. 1st g 5–6's	1922	5,660,000	J & J	113	Jan. 26,'97	113	107½	28,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	113¾	Jan. 29,'97	113½	112	16,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	119¾	Jan. 30,'97	120	117½	145,000
" equip. sink. f'd g 5's	1909	1,328,000	M & S	100	Jan. 14,'97	100	100	1,000
" deb. 5's stamped	1927	3,368,000	A & O	95	Jan. 14,'97	95	95	5,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. B 6's	1911	1,900,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. C 6's	1916	1,100,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. D 5's	1921	950,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. E 5's	1926	1,775,000	M & S	.....		....	....	.....
" small			M & S	.....		....	....	.....
" ser. F 5's	1931	1,310,000	M & S	.....		....	....	.....
Virginia Midland gen. 5's	1936	2,392,000	M & N	102½	Jan. 21,'97	102½	100	33,000
" gen.5's. gtd. stamped	1926	2,466,000	M & N	101	Jan. 7,'97	101	100½	7,000
W. O. & W. 1st cy. gtd. 4's	1924	1,275,000	F & A	79½	Apl. 3,'95	....	....	.....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	111¾	Jan. 26,'97	112	111½	18,000
Staten Island Ry 1st gtd. g 4½s	1943	500,000	J & D	.....		....	....	.....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	109	Jan. 16,'97	109	109	2,000
" 1st con. g. 5's	1894–1944	4,500,000	F & A	106	Jan. 22,'97	106¾	105½	4,000
" bine d. 1st 6's	1912	3,500,000	A & O	105⅝	Oct. 9,'95	....	....	.....
St. L. Mers. bdg. Ter. gtd g. 5's	1930							
Terre Haute Elec. Ry. gen. g 6's	1914	444,000	QJAN	105⅜	Dec. 18,'95	....	....	.....
Texas & New Orleans 1st 7's	1905	1,620,000	F & A	108	Feb. 19,'96	....	....	.....
" con. m. g 6's	1912	2,575,000	M & S	107½	Apr. 16,'96	....	....	.....
	1943	1,620,000	F & A	94½	Jan. 30,'96	94¾	91¾	132,000

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	JANUARY SALES. *High.*	*Low.*	*Total.*
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	3,784,000	M & S	107	Jan. 21,'97	107	107	2,000
" 1st gold 5's	2000	21,049,000	J & D	88	Jan. 26,'97	89	85⅞	127,000
" 2d gold income, 5's	2000	23,227,000	MAR.	22½	Jan. 30,'97	22½	19¾	463,000
Third Avenue 1st g 5's	1937	5,000,000	J & J	123	Dec. 30,'96	....	....	.....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	105	Jan. 28,'97	105	105	23,000
" 1st M. g 5's West. div	1935	2,500,000	A & O	104½	Jan. 21,'97	104½	104½	2,000
" gen. g. 5's	1935	1,500,000	J & D	.....		....	....	.....
" Kanaw & M. 1st g. g. 4's	1990	2,340,000	A & O	78	Jan. 20,'97	78	78	21,000
Toledo, Peoria & W. 1st g 4's	1917	4,000,000	J & D	68⅛	Jan. 14,'97	68⅛	68⅛	5,000
Tol., St.L.&K.C. Tr. Rec. 1st g 6's	1916	8,234,000	M & N	72	Jan. 28,'97	72	69⅞	41,000
Ulster & Delaware 1st c. g 5's	1928	1,852,000	J & D	100	Jan. 27,'97	100	100	34,000
Union Pacific 1st g. 6's	1896		J & J	104¼	Jan. 29,'97	104¼	103	59,000
" g. 6's	1897	11,604,000	J & J	104⅛	Jan. 29,'97	104⅛	103	62,000
" g. 6's	1898		J & J	104⅜	Jan. 29,'97	104⅜	104	61,000
" g. 6's	1899		J & J	104¼	Jan. 23,'97	104¼	104¼	1,000
" g. 6's Tr.Co.cfs.ex mat cps 1896			.....	101½	Jan. 29,'97	101½	100	154,000
" g.6's Tr.Co. cfs.ex mat cps 1897		15,625,000	.....	101½	Jan. 26,'97	102½	99½	27,000
" g.6's Tr.Co. cfs. ex mat cps 1898			.....	102½	Jan. 28,'97	103	100	68,000
" g. 6's Tr.Co. cfs.ex mat cps 1899			.....	100¼	Jan. 13,'97	101¼	100¼	8,000
" collat. trust 6's		3,983,000	J & J	96½	Nov. 27,'96	....	....	.....
" 5's	1907	4,970,000	J & D	75	Dec. 3,'96	....	....	.....
" g 4½'s	1918	2,058,000	M & N	50	May 22,'95	....	....	.....
" eng. Tr. Co. certifs.			.....	50	Jan. 23,'97	50	49¾	17,000
" gold notes,6's stampd.	1894	8,488,000	F & A	102	Jan. 27,'97	102	100	152,000
" Ext. sink'g f'd g 8's	1899	2,070,000	M & S	90	Jan. 26,'97	90	85	42,000
" eng. Tr. Co. certifs.		1,391,000	.....	89⅞	Jan. 29,'97	89⅞	87	28,000
Kansas Pacific 1st 6's	1895	1,303,000	F & A	109	Jan. 25,'97	109	108	88,000
" eng.Tr.Co. cfs. ex mat cps		779,000	.....	.....		....	....	.....
" 1st 6's	1896	2,169,000	J & D	113½	Jan. 25,'97	113½	111½	39,000
" eng.Tr.Co. cfs. ex mat cps		1,894,000	.....	95	Dec. 8,'96	....	....	.....
" Denver div. assd. 6's	1899	2,973,000	M & N	116¼	Jan. 29,'97	116¼	113½	8,000
" eng.Tr.Co. cfs. ex mat cps		2,914,000	.....	100½	Jan. 23,'97	100½	96	5,000
" Tr.Co. ctfs. 1st con. 6's	1919	10,664,000	.....	76¾	Jan. 30,'97	78	67	756,000
Cent. Br. Un. Pac. f'd cpns 7's	1895	630,000	M & N	96	June 22,'93	....	....	.....
Atch., Colo. & Pac., 1st 6's	1905	4,070,000	Q F	28	Jan. 29,'97	28½	26	34,000
At., Jewell Co. & West. 1st 6's	1905	542,000	Q F	27	Dec. 7,'96	....	....	.....
U. P., Lin. & Colo. 1st gtd g. 5's	1918	4,480,000	A & O	24¼	Jan. 30,'97	24¼	23¾	23,000
" Den.&Gulf 1st c. g.5's	1939	15,801,000	J & D	35	Jan. 29,'97	36½	35	14,000
Or.S.L.&U.N.Tr.Co.ctslst cn.g.	1919	10,792,000	A & O	73	Jan. 30,'97	73	63½	562,000
" assented		.....	.....	.....		....	....	.....
Oregon Short Line 1st 6's	1922	3,538,000	F & A	115¼	Jan. 27,'97	116	113½	32,000
" Trust Co. ctfs of dep.		11,393,000	.....	116	Jan. 29,'97	116	111¾	92,000
Utah & Nor'n R'y 1st mtg 7's	1908	1,031,000	J & J	118	Dec. 23,'96	....	....	.....
" gold 5's	1926	1,877,000	J & J	100	May 14,'96	....	....	.....
Utah So'n Tr.Co.cts.gen.mg 7's	1909	1,495,000	J & J	72	Jan. 29,'97	72	72	3,000
" Tr.Co. ctfs.ext. 1st 7's	1909	1,924,000	J & J	72	Jan. 29,'97	72	64	13,000
Wabash R.R. Co., 1st gold 5's	1939	31,664,000	M & N	106⅞	Jan. 30,'97	107¼	106	350,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	72	Jan. 30,'97	73¾	70	350,000
" deben. mtg series A	1939	3,500,000	J & J	.....		....	....	.....
" series B	1939	25,740,000	J & J	25	Jan. 18,'97	25	22½	8,000
" 1st g.5's Det.& Chi.ex.	1940	3,500,000	J & J	94	Jan. 29,'97	96	94	15,000
St. L., Kan. C. & N. St. Chas. B. " 1st 6's	1908	1,000,000	A & O	105¼	Jan. 7,'97	105¼	105¼	7,000
Western N.Y. & Penn. 1st g. 5's	1937	10,000,000	J & J	106	Jan. 25,'97	106	104½	30,000
" gen g. 2-3-4's	1943	10,000,000	A & O	49½	Jan. 30,'97	49¼	46¾	4,000
" inc. 5's	1943	10,000,000	Nov.	13	Dec. 16,'96	....	....	.....
West Va. Cent'l & Pac. 1st g. 6's	1911	3,000,000	J & J	108	Feb. 18,'96	....	....	.....
Wheeling & Lake Erie 1st 5's	1926	3,000,000	A & O	90	Jan. 30,'97	90	90	1,000
" Wheeling div. 1st g. 5's	1928	1,500,000	J & J	90	Jan. 27,'96	....	....	.....
" exten. and imp. g. 5's	1930	1,624,000	F & A	91	May 8,'96	....	....	.....
" consol mortgage 4's	1992	1,600,000	J & J	62¼	July 20,'96	....	....	.....
Wisconsin Cent.Co. 1st trust g.5's	1937	2,364,000	J & J	33	Oct. 29,'96	....	....	.....
" eng. Trust Co. certificates.		9,636,000	.....	38¼	Jan. 22,'97	39¾	37	64,000
" income mortgage 5's	1937	7,775,000	A & O	7⅛	Nov. 13,'96	....	....	.....

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MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JANUARY SALES. High.	Low.	Total.
American Cotton Oil deb. g. 8's..1900	3,068,000	Q F	109	Jan. 26,'97	109	108	19,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	2,000,000	M & S	77	Jan. 30,'97	77¼	74	243,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	.....		....	....	.....
Bost. Un.Gas tst ctfs s'k f'd g. 5's.1939	7,000,000	J & J	87¼	Nov.10,'96	....	....	.....
B'klyn Union GasCo.1stcon.g.5's.1945	12,336,000	M & M	108	Jan. 30,'97	108	105¾	251,000
B'klyn Wharf & Wh. Co. 1st g. 5's.1945	17,500,000	F & A	101	Jan. 30,'97	101	99½	159,000
Chic. Gas Lt & Coke 1st gtd g. 5's.1937	10,000,000	J & J	98¾	Jan. 25,'97	94¼	93	38,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	107	Nov.23,'96	....	....	.....
Colo. Coal & Iron 1st con. g. 6's. .1900	2,954,000	F & A	100	Jan. 18,'97	100	100	4,000
Colo. C'l & I'n Devel.Co. gtd g.5's.1909	700,000	J & J	99	Feb. 8,'96	....	....	.....
" Coupon off.....	.....	.....	.....		....	....	.....
Colo. Fuel Co. gen. g. 6's.....1919	1,043,000	M & N	106½	Nov.10,'92	....	....	.....
Col. Fuel & Iron Co. gen. sf g 5's..1942	2,021,000	F & A	80	May 27,'96	....	....	.....
Colo. Hock. Val. C'l & I'n g. 6's. .1917	960,000	J & J	94	Sept.21,'94	....	....	.....
Con'rs Gas Co. Chic. 1st g. 5's....1936	4,346,000	J & D	85	Jan. 19,'97	85	83¾	12,000
Detroit Gas Co. 1st con. g. 5's....1918	2,000,000	F & A	79¾	Jan. 30,'97	79¾	75¾	159,000
Edison Elec. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	111¼	Jan. 29,'97	113⅜	110	88,000
" 1st con. g. 5's.....1995	2,130,000	J & J	106½	Jan. 29,'96	106½	104⅞	80,000
" Brooklyn 1st g. 5's.....1940	1,000,000	A & O	110	Dec. 17,'96	....	....	.....
" registered.....		A & O	.....		....	....	.....
Equitable Gas Light Co. of N. Y.....							
" 1st con. g. 5's.....1932	2,500,000	M & S	114	Dec. 14,'96	....	....	.....
Equit. Gas & Fuel, Chic. 1st g. 6's.1905	2,000,000	J & J	99	Jan. 27,'97	99	95	27,000
Erie Teleg. & Tel. col. tr. g s fd 5's.1926	1,000,000	J & J	.....		....	....	.....
General Electric Co. deb. g. 5's...1922	8,750,000	J & D	96	Jan. 30,'97	96	90½	88,000
Grand Riv. Coal & Coke 1st g. 6's.1919	780,000	A & O	90	Nov.26,'95	....	....	.....
Hackensack Wtr Reorg. 1st g. 5's.1926	1,090,000	J & J	107½	June 3,'92	....	....	.....
Hend'n Bdg Co. 1st s'k. f'd g. 6's.1931	1,755,000	M & S	110	Dec. 4,'96	....	....	.....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	.....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	86	May 8,'96	....	....	.....
" non. conv. deb. 5's.....1910	7,000,000	A & O	92	Oct. 2,'95	....	....	.....
Iron Steamboat Co. 6's.....1901	500,000	J & J	75½	Dec. 4,'95	....	....	.....
Int'r Cond & Insul Co. deb. g. 6's..1925	500,000	A & O	81	Oct. 16,'95	....	....	.....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	94¼	Jan. 28,'97	94⅜	93½	66,000
" small bonds.....			97½	Nov. 1,'95	....	....	.....
Madison Sq. Garden 1st g. 5's....1919	1,250,000	M & N	.....		.. .	....	.....
Manh. Bch R. & L. lim. gen. g. 4's.1940	1,300,000	M & N	55	Aug.27,'95	....	....	.....
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	2,000,000	M & N	103¼	Jan. 5,'92	....	....	.....
" registered.....		M & N					
Mich. Penins. Car Co. 1st g 5's...1942	2,000,000	M & S	89½	Oct. 23,'96	....	....	.....
Mutual Union Tel. Skg. F. 6's....1911	1,957,000	M & N	111½	Dec. 18,'96	....	....	.....
Nat. Starch Mfg. Co., 1st g 6's...1920	3,837,000	J & J	100¾	Jan. 28,'97	100½	100	12,000
Newport News Shipbuilding & Dry Dock 5's.....1890-1990	2,000,000	J & J	94	May 21,'94	....	....	.....
		.....	.....		....	....	.....
N. Y. & N. J. Tel. gen. g 5's cnv..1920	1,261,000	M & N	100	June 4,'95	....	....	.....
N. Y. & Ontario Land 1st g 6's...1910	443,000	F & A	92¼	May 5,'96	....	....	.....
North Western Telegraph 7's....1904	1,250,000	J & J	107	May 13,'89	....	....	.....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	105	Oct. 12,'96	....	....	.....
" 2d 6's.....1904	2,500,000	J & D	107	Jan. 22,'97	107	104	22,000
" 1st con. g 6's.....1943	4,900,000	A & O	102¼	Jan. 29,'97	102½	100	57,000
Peoria Water Co. g 6's.....1889-1919	1,254,000	M & N	100	June 23,'92	....	....	.....
Pleasant Valley Coal 1st g 6's....1920	590,000	M & N	106⅞	Oct. 14,'95	....	....	.....
Procter & Gamble, 15t g 6's.....1940	2,000,000	J & J	117	Dec. 12,'95	....	....	.....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	102½	June 3,'96	....	....	.....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	.....		....	....	.....
Standard Rope & Twine 1st g. 6's.1946	3,000,000	F & A	78	Jan. 30,'97	79½	73½	274,000
" " inc. g. 5's.1946	7,500,000	.....	28	Jan. 30,'97	28	24	46,000
Sun. Creek Coal 1st sk. fund 6's.1912	400,000	J & D	.....		....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	*Date.*	JANUARY SALES. *High.*	*Low.*	*Total.*
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,299,000	A & O	84¾	Jan. 27,'97	84¾	82	5,000
" Bir. div. 1st con. 6's	1917	3,490,000	J & J	85	Jan. 28,'97	87½	85	51,000
Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & D	84	May 2,'96	....	....	.....
De Bard. C & I Co. gtd. g 6's	1910	2,434,000	F & A	83	Jan. 15,'97	83	81½	10,000
U. S. Leather Co. 6% g s. fd deb.	1915	6,000,000	M & N	112¾	Jan. 30,'97	112¾	111¾	31,000
Vermont Marble, 1st s. fund 5's	1910	640,000	J & D	.....		....	....	.....
Western Union deb. 7's	1875-1900	3,720,000	M & N	110	Apr. 10,'96	....	....	.....
" 7's, registered	1900		M & N	106	Sept.30,'96	....	....	.....
" debenture, 7's	1884-1900	1,000,000	M & N	105	Aug.25,'96	....	....	.....
" registered			M & N	.....		....	....	.....
" col. trust cur. 5's	1938	8,405,000	J & J	107	Jan. 29,'97	107	106½	37,000
Wheel L. E. & P. Cl Co. 1st g 5's	1919	866,000	J & J	68	Dec. 23,'96	....	....	.....
Whitebrst Fuel gen. s. fund 6's	1908	570,000	J & D	.....		....	....	.....

UNITED STATES GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1897. *High.*	*Low.*	JANUARY SALES. *High.*	*Low.*	*Total.*
United States 2's registered	Opt'l	25,364,700	Q M	....	....	....	....	.....
" 4's registered	1907	559,634,000	J A J&O	111⅝	110⅝	111⅝	110⅝	42,000
" 4's coupon	1907		J A J&O	112¾	111⅝	112¾	111⅝	78,000
" 4's registered	1925	162,315,400	Q F	122¼	120¼	122¼	120¼	21,000
" 4's coupon	1925		Q F	124	120⅛	124	120¼	1,001,000
" 5's registered	1904	100,000,000	Q F	113¾	113¼	113¾	113¼	15,000
" 5's coupon	1904		Q F	114⅜	114¼	114⅜	114¼	8,000
" 6's currency	1898	29,004,952	J & J	103¼	103⅛	103¼	103⅛	3,000
" "	1899	14,004,560	J & J	....	....	....	....	.....
" 4's reg. cer. ind. (Cherokee)	1897	1,660,000	MAR	....	....	....	....	.....
" "	1898	1,660,000	MAR	....	....	....	....	.....
" "	1899	1,660,000	MAR	....	....	....	....	.....

National Sound Money League.—The National Sound Money League, which now has organizations in New York, Boston, Philadelphia, Baltimore, Charleston, Galveston, Louisville, Cleveland, Cincinnati, Indianapolis, Chicago, St. Louis, Milwaukee, St. Paul, Minneapolis, Fargo, and Kansas City, will hold a general conference at the Chamber of Commerce, New York city, February 24, each league being represented by two delegates. Many prominent business men, bankers, and well-known representatives of the two leading political parties are prominent in the movement.

Pleasant Travel.—The Savannah Line fleet (from New York, Boston and Philadelphia), comprises the safest, the fastest, the most comfortable and the most elegantly furnished steamers plying the waters of the Atlantic Coast. Built by one of the greatest ship-builders of America at enormous cost, the steamers of the Savannah Line are unexcelled by any ship of modern construction for elegance, convenience, comfort and safety, and are only exceeded in size by the great trans-Atlantic steamers. The staterooms are more commodious than any other coastwise steamer, each room containing two large berths. Such airy and elegantly furnished staterooms, with their luxurious berths, invite the repose which one may look for in a first-class hotel. The Savannah Line being the great connecting link between the North and South, it is enabled to secure the benefits of both the northern and southern markets, thus furnishing the table of each steamer with the freshest vegetables, fruits, all the delicacies, etc., etc., which money can buy. This all without any extra cost to the passenger over and above the price of ticket.

If readers of this article will send a two-cent stamp to "Savannah Line," addressing New York, Boston or Philadelphia, they will receive a copy of "Savannah Line News," and a beautifully illustrated book.—*Adv.*

BANKERS' OBITUARY RECORD.

Banes.—Col. Charles H. Banes, President of the Market Street National Bank, Philadelphia died January 15. He was born in Philadelphia on October 24, 1831. In the Civil War he became Captain of a company in the Twenty-second Regiment, Pennsylvania Volunteers. Three times he was promoted for gallant service on the field. In December, 1862, he was appointed Assistant Adjutant-General. He was in the field until June, 1864, being wounded three times and participating in forty battles.

Billings.—A. M. Billings, President of the Home National Bank, Chicago, died February 7. He was born at Roylston, Vt., in 1814, and went to Chicago in 1859.

Bennett.—Col. T. R. Bennett, President of the Bank of Camilla, Ga., died recently at the age of sixty-three years.

Camp.—Talcot H. Camp, President of the Jefferson County National Bank, Watertown, N. Y., and for many years one of the leading bankers of northern New York, died February 7, aged eighty years.

Cooper.—W. H. Cooper, Cashier of the Otsego County Bank, Gaylord, Mich., died recently.

Ervin.—Spencer Ervin, of the firm of Ervin & Co., Philadelphia, a well-known member of the Stock Exchange and prominent in the social life of that city, died February 11. He was also a member of the New York Stock Exchange.

Fogg.—Ebenezer T. Fogg, for many years Treasurer of the South Scituate Savings Bank, Norwell, Mass., died recently, aged sixty-eight years.

Herron.—Samuel D. Herron, Jr., Cashier of the Fourth National Bank, Pittsburg, died February 2.

Lincoln.—Amasa L. Lincoln, Cashier of the First National Bank, Santa Barbara, Cal., died February 9.

McMillan.—W. C. McMillan, Vice-President of the Charleston (Ind.) Bank, died recently at the age of sixty-five years.

May.—Frank May, formerly chief Cashier and practically Manager of the Bank of England, until he resigned in 1893, died in London, February 9.

Nichols.—C. O. Nichols, President of the Wellman (Iowa) Savings Bank, died recently at the age of seventy years.

Oller.—J. F. Oller, President of the Bank of Waynesboro, Pa., died January 30, aged seventy-two years. He was a Bishop of the German Baptist Church.

Pomeroy.—Samuel W. Pomeroy died January 12. He was a prominent banker at Troy, Pa., and was also President of the Miners' National Bank at Blossburg, in that State. Mr. Pomeroy was born at Troy, Pa., Dec. 8, 1821.

Porter.—J. H. Porter, who was the first Cashier of the Merchants' Bank, Atlanta, Ga., and afterwards its President, died in that city January 20. Mr. Porter was born at Madison, Ga., in 1829. He had held many responsible positions. The worry incident to the recent failure of his bank is believed to have hastened his death.

Taylor.—Frederic Taylor, senior member of the firm of Frederic Taylor & Co., New York city, and a well known and popular banker, died February 4. Mr. Taylor was born in 1837, and after obtaining an academic education was graduated at the Jefferson Medical College, Philadelphia. He afterwards engaged in the dry goods business, leaving this to engage in banking. At one time he was Cashier of the Continental National Bank, and was a director of that institution at the time of his death. He was popular as a political and after-dinner speaker.

Thompson.—Oliver T. Thompson, a well-known resident of Washington, D. C., and a director of the Central National Bank since its organization, died February 5.

Van Miller.—William Van Miller, Cashier of the Wyandotte (Mich.) Savings Bank, died recently at the age of seventy-two years.

Whiley.—Samuel Whiley, President of the Farmers and Citizens' Bank, Lancaster, Ohio, died January 22, aged sixty years.